

**Income Tax Modifications**  
**2025 GENERAL SESSION**  
**STATE OF UTAH**  
**Chief Sponsor: Daniel McCay**

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**LONG TITLE**

**General Description:**

This bill modifies income tax provisions.

**Highlighted Provisions:**

This bill:

- amends the corporate franchise and income tax rates; and
- amends the individual income tax rate.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-7-104 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws of Utah 2024, Chapter 255

**59-7-201 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws of Utah 2024, Chapter 255

**59-10-104 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws of Utah 2024, Chapter 255

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-7-104** is amended to read:

**59-7-104 (Effective 05/07/25) (Retrospective 01/01/25). Tax -- Minimum tax.**

- (1) Each domestic and foreign corporation, except a corporation that is exempt under Section 59-7-102, shall pay an annual tax to the state based on the corporation's Utah taxable income for the taxable year for the privilege of exercising the corporation's corporate franchise or for the privilege of doing business in the state.
- (2) The tax shall be [~~4.55~~] 4.5% of a corporation's Utah taxable income.
- (3) The minimum tax a corporation shall pay under this chapter is \$100.

32 Section 2. Section **59-7-201** is amended to read:

33 **59-7-201 (Effective 05/07/25) (Retrospective 01/01/25). Tax -- Minimum tax.**

34 (1) There is imposed upon each corporation, except a corporation that is exempt under  
35 Section 59-7-102, a tax upon the corporation's Utah taxable income for the taxable year  
36 that is derived from sources within this state other than income for any period that the  
37 corporation is required to include in the corporation's tax base under Section 59-7-104.

38 (2) The tax imposed by Subsection (1) shall be [~~4.55~~] 4.5% of a corporation's Utah taxable  
39 income.

40 (3) In no case shall the tax be less than \$100.

41 Section 3. Section **59-10-104** is amended to read:

42 **59-10-104 (Effective 05/07/25) (Retrospective 01/01/25). Tax basis -- Tax rate --**  
43 **Exemption.**

44 (1) A tax is imposed on the state taxable income of a resident individual as provided in this  
45 section.

46 (2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to the  
47 product of:

48 (a) the resident individual's state taxable income for that taxable year; and

49 (b) [~~4.55~~] 4.5%.

50 (3) This section does not apply to a resident individual exempt from taxation under Section  
51 59-10-104.1.

52 Section 4. **Effective Date.**

53 This bill takes effect on May 7, 2025.

54 Section 5. **Retrospective operation.**

55 This bill has retrospective operation for a taxable year beginning on or after January 1,  
56 2025.