Income Tax Rate Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill amends the income tax rate 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, as last amended by Laws of Utah 2025, Chapter 407

59-7-201, as last amended by Laws of Utah 2025, Chapter 407

59-10-104, as last amended by Laws of Utah 2025, Chapter 407

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

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

59-7-104 . 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 [~~4.5~~] 4.45% of a corporation's Utah taxable income.

(3) The minimum tax a corporation shall pay under this chapter is $100.

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

59-7-201 . Tax -- Minimum tax.

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

(2) The tax imposed by Subsection (1) shall be [~~4.5~~] 4.45% of a corporation's Utah taxable income.

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

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

59-10-104 . Tax basis -- Tax rate -- Exemption.

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

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

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

(b) 4.45%.

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

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

Section 4. **Effective Date.**

This bill takes effect on May 6, 2026.

Section 5. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2026.