

1                                   **CORPORATE FRANCHISE AND INCOME**

2   **TAXES - MINIMUM TAX**

3   2000 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Ron Allen**

6 AN ACT RELATING TO CORPORATE FRANCHISE AND INCOME TAXES; INCREASING  
7 THE MINIMUM TAX UNDER THE CORPORATE FRANCHISE AND INCOME TAXES;  
8 AND PROVIDING AN EFFECTIVE DATE.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11                   **59-7-104**, as repealed and reenacted by Chapter 169, Laws of Utah 1993

12                   **59-7-201**, as last amended by Chapter 169, Laws of Utah 1993

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

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

15                   **59-7-104. Tax -- Minimum tax.**

16                   (1) Each domestic and foreign corporation, except those exempted under Section 59-7-102,  
17 shall pay an annual tax to the state based on its Utah taxable income for the taxable year for the  
18 privilege of exercising its corporate franchise or for the privilege of doing business in the state.

19                   (2) The tax shall be 5% of a corporation's Utah taxable income.

20                   (3) The minimum tax a corporation shall pay under this chapter is [~~\$100~~] \$250.

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

22                   **59-7-201. Tax -- Minimum tax.**

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

27                   (2) The tax imposed by Subsection (1) shall be 5% of a corporation's Utah taxable income.

28 (3) In no case shall the tax be less than [~~\$100~~] \$250.

29 Section 3. **Effective date.**

30 This act takes effect for taxable years beginning on or after January 1, 2001.

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**Legislative Review Note**  
**as of 1-28-00 4:11 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**