

TAX REVISIONS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Daniel McCay

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 13 voting for 2 voting against 3 absent

General Description:

This bill modifies state 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, as last amended by Laws of Utah 2022, Chapter 12

59-7-201, as last amended by Laws of Utah 2022, Chapter 12

59-10-104, as last amended by Laws of Utah 2022, Chapter 12

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



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

29 **59-7-104. Tax -- Minimum tax.**

30 (1) Each domestic and foreign corporation, except a corporation that is exempt under
31 Section **59-7-102**, shall pay an annual tax to the state based on the corporation's Utah taxable
32 income for the taxable year for the privilege of exercising the corporation's corporate franchise
33 or for the privilege of doing business in the state.

34 (2) The tax shall be [~~4.85~~] 4.8% of a corporation's Utah taxable income.

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

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

37 **59-7-201. Tax -- Minimum tax.**

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

42 (2) The tax imposed by Subsection (1) shall be [~~4.85~~] 4.8% of a corporation's Utah
43 taxable income.

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

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

46 **59-10-104. Tax basis -- Tax rate -- Exemption.**

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

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

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

52 (b) [~~4.85~~] 4.8%.

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

55 Section 4. **Retrospective operation.**

56 This bill has retrospective operation for a taxable year beginning on or after January 1,
57 2023.