



This Week in State Tax (TWIST)

April 7, 2025



Utah: Legislature Adopts Several Tax Changes

Utah Governor Spencer Cox recently signed several bills affecting the state tax regime into law. The major changes include a reduction in the corporate income and franchise tax rates, a modification to the state's apportionment method for financial institutions, an amendment to the state's sales and use tax economic threshold for remote sellers, and a new sales and use tax exemption for certain purchasers of property used in the operation of a battery manufacturing facility.

- House Bill 106, signed by the Governor on March 26, lowers the income and franchise corporate tax rates from 4.55 percent to 4.5 percent for taxable years beginning on or after Jan. 1, 2025.
- Senate Bill 219 directs the State Tax Commission to establish special apportionment rules for financial institutions, as defined in the bill. The rules must include receipts from investment activities and assets as well as trading activities and assets in the denominator of the sales factor but exclude them from the numerator. Items comprising investment and trading assets and activities are specified in the bill, which is effective for tax years beginning on or after January 1, 2026.
- Senate Bill 47 eliminates the requirement that a remote seller (i.e., one with no physical presence in Utah) must collect and remit sales and use tax if the seller makes 200 or more separate transactions with purchasers in the state. With this repeal, a remote seller will be required to collect and remit tax only if it receives more than \$100,000 in gross revenue from sales of tangible personal property, products transferred electronically, or services for storage, use, or consumption into the state. The bill takes effect on Jul. 1, 2025.
- Senate Bill 213 creates a sales and use tax exemption for manufacturers of energy storage devices or equipment. Starting July 1, 2025, a business that operates a qualifying energy storage manufacturing facility will be able to claim an exemption from sales and use tax on purchases of tangible personal property incorporated into equipment or a device that stores and discharges energy at the facility. In addition, the exemption will apply to the operator's purchases or leases of machinery, equipment, and repair or replacement parts that are used exclusively in the operation of the qualifying energy storage manufacturing facility.

Contact [Michael Larkin](#) with questions about [H.B. 106](#), [S.B. 219](#), [S.B. 47](#) and [S.B. 213](#).

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