

## Income/Franchise:

### Idaho: New Law Includes Single Sales Factor Apportionment and Market-Based Sourcing of Intangibles

*H.B. 563*, signed by gov. 3/16/22. Applicable retroactively to tax years beginning on or after January 1, 2022, new law incorporates a single sales factor apportionment formula (previously, a three-factor apportionment formula with double-weighted sales) that includes a “throwback” rule on sales of tangible personal property where the Idaho corporate income taxpayer is not taxable in the state of the purchaser. The bill also adopts market-based sourcing for sales other than sales of tangible personal property for state corporate income tax purposes. Additionally, the legislation makes various other changes to Idaho Code § 63-3027, which provides rules for calculating the taxable income of multistate or unitary corporations, and revises some provisions pertaining to alternative apportionment.

**URL:** <https://legislature.idaho.gov/sessioninfo/2022/legislation/H0563/>

See recently issued Multistate Tax Alert for more details on the tax law changes included in this bill and please contact us with any questions.

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-idaho-adopts-single-sales-factor-and-market-sourcing-apportionment.pdf>

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