

Income/Franchise:

Idaho: Draft Rule Changes Reflect Single Sales Factor Apportionment and Market-Based Sourcing

Draft Proposed Changes to Sections (Rules) 300-699 – updated 07/25/2022, Income Tax Rules Committee, Idaho State Tax Comm. (7/25/22). The Idaho State Tax Commission’s Income Tax Rules Committee (Committee) posted updated draft proposed administrative rule changes reflecting legislation enacted earlier this year [see H.B. 563 (2022) and previously issued Multistate Tax Alert for more details on these law changes] that incorporates a single sales factor apportionment formula (including a “throwback” rule on sales of tangible personal property where the Idaho corporate income taxpayer is not taxable in the state of the purchaser) and adopts market-based sourcing for sales other than sales of tangible personal property for state corporate income tax purposes. The draft proposal also reflects some newer rules for calculating the taxable income of multistate or unitary corporations and provisions pertaining to alternative apportionment. According to the Committee, many of the draft proposed edits are patterned after Multistate Tax Commission model provisions. The Committee’s next meeting to discuss the proposals is scheduled for September 1, 2022. Please contact us with any questions.

URL: https://tax.idaho.gov/pubs/EPB00209_07-25-2022.pdf

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

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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