

## Income/Franchise:

### Utah: Nonresident Individual Who Taught Online Courses Deemed Not Subject to Income Tax

*Appeal No. 22-339*, Utah State Tax Comm. (11/8/22). In a ruling involving an individual professor who taught online courses to students worldwide for an out-of-state company and previously resided in Utah but then moved out-of-state and was considered a nonresident individual for the 2018 Utah income tax year at issue, the Utah State Tax Commission (Commission) held that because the individual's wages were for personal services rendered outside Utah they may not be considered to be derived from Utah sources under state law in 2018, and thus are *not* subject to Utah individual income tax. Distinguishing this case from its 2022 ruling involving an out-of-state remote worker, the Commission explained that the taxpayer in this case was not physically working in Utah at any time during 2018 and was not working for a Utah office or branch of his employer. In this case, the professor's employer did not have a physical location in Utah at any time during 2018, and his students were not physically in a classroom in Utah (though some students may have been physically located in Utah while participating in the online courses). The case notes that Utah statutes have since "been revised clarifying the tax treatment of remote workers, but the changes are not effective until tax year 2023." Please contact us with any questions.

**URL:** <https://tax.utah.gov/commission/decision/22-0339.pdf>

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