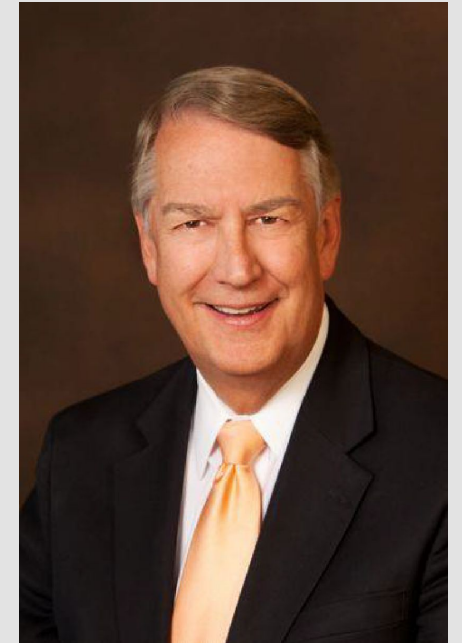




TAX COMMISSION 2025 LEGISLATIVE UPDATE/TAX LAW CHANGES

May 2025



Chairman John L.
Valentine

Utah State Tax
Commission

NEW LAWS

Number of Bills
Introduced: 959

Requests filed:
1,487

Tracked Bills with
tax or DMV impact:
459

Reviewed for fiscal
impact: 883

582

Number of Bills Passed

History of Passed Bills

General Session Year	Bills Passed	General Session Year	Bills Passed
2005	370	2015	528
2006	395	2016	474
2007	423	2017	535
2008	436	2018	533
2009	451	2019	574
2010	481	2020	510
2011	504	2021	502
2012	477	2022	512
2013	524	2023	575
2014	486	2024	591

Revenue and
Appropriation
s

\$30.845
Billion

Tax Cut

Reduce top bracket of income tax rate from 4.55% to 4.50%

(Total cut - \$97.2 per Governor or \$103.3 million per LFA ongoing & 22.6 million one-time)

Tax Cut

Social Security income tax credit threshold

\$90,000 for a couple

\$54,000 for a single individual

(Total cut - \$24 million ongoing & \$1.3 million one-time)

Tax Cut

Single Sales Factor for financial institutions

(Total cut - \$16 million ongoing & \$13 million one-time)

Tax Cut

Remote Sellers Tax Exemption

Removes the 200 transaction test

(Total cut - \$4.5 million ongoing and \$500 K one-time)

Tax Cut

Expanded Child Tax Credit
Children less than one and up to age 5

(Total cut - \$4 million ongoing)

Tax Cut

Employer Child Care Tax Credit

20% credit for “on premises” child care facilities
and 10% for cost of operations

(Total cut - \$2 million ongoing)

HB 389 DID NOT PASS, but was included in HB 106!

Other Tax Changes

HB 60

- Creates a deduction for repayment of Social Security Tax
- Extends to 10 years the carryforward for pass-through entity tax credit
- Residence is not a commercial unit for solar tax credit
- Requires “payment processors” to file 1099 information (PayPal, Venmo etc.)
- Changes amended return refund interest to maximum of \$100 per calendar year

Other Tax Changes

HB 62

- Deadline to file for residential exemption:
September 15
- USTC can hear appeals on deferral and abatement
- Ag land value may be less than 5 acres if:
 - Significantly contributes to overall ag production,
 - Used with other eligible acreage and
 - Identical legal ownership.
 - Can be noncontiguous

Other Tax Changes

HB 91

1% restaurant tax on prepared food sold by convenience stores, gas stations and grocery stores.



Other Tax Changes

HB 151

Allows contributions to the statewide Hunger Relief fund through individual income tax return

Other Tax Changes

SB 234

- Post performance
- Allows the claim for high cost infrastructure credit against severance tax
- “Foregone revenue” estimate: \$18.5 annually – think mining

Renewable Energy



Energy
System
Deadlines

HB 264

- Must be completed and placed in service before January 1, 2028
- Repeals energy system tax credits beginning January 1, 2035
- Approximately \$7 million in 2023

Other Tax Changes

SB 213

- Sales tax exemption of energy storage manufacturing facility
- No fiscal impact at this point since does not exist in Utah
- “Foregone revenue” if one should be built

Other Tax Changes

HB 378

- Imposes new excise tax: "Generation Facility Capacity Tax"
 - \$1,050 per Megawatt
 - Grandfathered facilities before 12/31/2025
- Imposes assessment on renewable energy parent company (\$25k to \$200k)
- Modifies calculation of centrally assessed new growth (7% diverted)
- \$6 million to Species Protection Fund

Other Tax Changes

SB 192

SB 13

Requires large wind and solar systems to include energy storage to qualify for tax credits

Allows rental of heavy equipment to charge a recovery fee for personal property taxes

Property Tax

SB 202

- Counties must provide preliminary assessments to USTC annually
- New corrective action procedures for counties' noncompliance with assessment duties
- USTC to provide counties with assessment assistance
- Minimum education requirement for county assessors
- Multicounty Trust to establish web portal and uniform electronic filing of appeals

Property Tax

Roll Back
Taxes

HB 237

- 100% of roll back taxes required to be used for preserving or restoring open land and ag land
- Unused funds after 5 years: LeRay McAllister Working Farm and Ranch Fund

SB 197 Circuit Breaker & Deferral

VETOED

H: 42-32-1

S: 18-7-4

No veto override

- Phases out circuit breaker
- Limits circuit breaker to those who qualified in the prior 2 years
- Freezes income limit for homeowners/raises it for renters
- Prohibits participation in multiple property tax relief programs
- Deferral may start at age 65
- No longer required to receive lender approval for deferral
- Interest at 2% for deferral period
- Deferred tax paid when property transferred, when owner dies, or is no longer the primary residence

DMV
Changes:

Registration
Issues



DMV Changes

SB 52

- Allows USTC to contract to determine registration and insurance match
 - Cars & pickup trucks
 - Boats
 - Trailers
 - Off road vehicles
- \$150 penalty
- 60 days to cure tax after notice before additional penalties imposed
- 100% penalty possible
- Effective upon signature since received 2/3s vote in both houses

HB 324



Additional DMV Changes

HB 324

- Change allocation of money from “Historical Support Group Plate”
 - \$2 to historical support special group plate
 - \$23 to Transportation Investment Fund
- Allowed corporate brand plate for minor league sports teams
- Allows collegiate special group plate funds to be used for NIL

Additional DMV Changes

HB 514
SB27

- Post card reminder still the default (can elect to receive both E registration renewal post card reminders)
- Two year registration option
- Fleet of personal vehicles registration option

Still no state
flag license
plate



Proposed
Constitutional
Amendment

SJR 2

Higher percentage than
majority (60%) to approve
statewide initiative for new tax
or to increase rate of existing
tax