



This Week in State Tax (TWIST)

1st April 2024



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Multistate: Status of Corporate Income Tax Rate Changes

Over the last couple of years, states have been in an unprecedented period of revenue growth coming out of the pandemic. This has resulted in a number of recent corporate and individual income tax rate reductions. Some of this has continued into 2024, despite revenue growth slowing down. Effective for tax years beginning on or after January 1, 2024, Utah's corporate income tax rate was reduced from 4.65 percent to 4.55 percent. In Idaho, House Bill 521, which reduces the corporate income tax rate from 5.8 percent to 5.695 percent effective January 1, 2024, was signed into law on March 29, 2024. Legislation (House Bill 1023) has been sent or will soon be sent to Georgia Governor Brian Kemp for signature that would match the corporate income tax rate to the individual income tax rate in effect for the corresponding tax year. Another Georgia bill that has passed both houses would accelerate already enacted individual income tax cuts (assuming revenue targets are met) and would drop the individual income tax rate to 5.39 percent effective for 2024. In Missouri, the House has passed legislation (House Bill 2274) to phase out the current four percent corporate income tax by one percent each year beginning in 2025. In contrast, in Vermont House Bill 721 would increase the current 8.5 percent rate to 10 percent on income over \$25,000 beginning in 2025 and would also eliminate deductions for GILTI and FDII. This bill has passed the House and is pending in the Senate. Other corporate tax increases have been proposed by the Governor in New Jersey (a 2.5 percent corporate transit surcharge) and by the Senate and Assembly in New York. Please stay tuned to TWIST for updates on corporate income tax rates.

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