



MULTISTATE INCOME/FRANCHISE TAX

## Utah enacts election to treat income from sales of intangible property as business income

Tax Alert

### Overview

On March 23, 2022, Utah Governor Spencer J. Cox signed [House Bill 268](#) (H.B. 268) into law. Effective for taxable years beginning on or after January 1, 2022, corporations may elect to treat income from sales of intangible property, that otherwise would have been treated as allocable nonbusiness income, as apportionable business income. The election must be made on or before the extended deadline for filing the Utah return. According to the legislation, once the election is made, it is irrevocable.

### Considerations

If an election is not made, corporate taxpayers domiciled in Utah with nonbusiness income from the sale of intangible property could potentially be required to allocate 100% of that income to Utah. Those taxpayers should consult with their tax practitioners to evaluate whether the business income election would be beneficial.

### Get in touch

[Jason Clegg](#)

[Brandon Hunt](#)



30 Rockefeller Plaza  
New York, NY 10112-0015  
United States

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