

REVISED

STATEMENT OF PURPOSE

RS29934 / H0006

This bill relates to income taxes. ~~Idaho conforms to the calculation of federal taxable income. The Idaho income tax code is currently tied to the internal revenue code as of January 1, 2022. This bill would move that date to January 1, 2023 to conform to any changes to the IRC during 2022.~~ It is the annual bill to update references to the Internal Revenue Code (IRC). The bill conforms the Idaho income tax code to changes made to the IRC that affect the 2022 tax year. The Idaho income tax code uses federal taxable income as a starting point for both businesses and individuals. Our tax forms use federal adjusted gross income as a starting point. Idaho uses a static conformity to a specific date, currently January 1, 2022. This bill updates Idaho Code section 63-3004, to January 1, 2023. Using federal taxable income as a starting point saves a tremendous amount of duplicate work. The Idaho Legislature can still decide to which items it will conform to. Not conforming at all would cause a lot of extra work and confusion for individuals, businesses, and the tax preparation industry.

FISCAL NOTE

~~The fiscal impact is estimated at approximately zero for the 2023 fiscal year. There are no significant 2022 federal income tax changes at this time, however Congress is likely to pass tax related bills after the November election.~~ The fiscal impact is estimated to be neutral for the 2023 fiscal year. Subsequent years are small amounts of increased revenue from more flexible withdrawal rules.

Contact:

Representative Jeff Ehlers, District 21B
(208) 332-1072

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).