

R865. Tax Commission, Auditing

R865-6F. Franchise Tax

R865-6F-14. Extent to Which Federal Income Tax Provisions Are Followed for Corporation Franchise Tax Purposes Pursuant to Utah Code Ann. Sections 59-7-106, 59-7-108, 59-7-501, and 59-7-502.

(1) It is the policy of the commission, in matters involving the determination of income for Utah corporation franchise tax purposes, to follow as closely as possible federal requirements with respect to the same matters. In some instances the federal and state statutes differ, and as a result the federal rulings, regulations, and decisions may not be followed. Furthermore, in some instances, the commission may disagree with the federal determinations and does not consider them controlling for Utah corporation franchise tax purposes.

(2) The items of major importance ordinarily allowed in conformity with federal requirements are:

- (a) depreciation,
- (b) depletion,
- (c) exploration and development expenses,
- (d) intangible drilling costs,
- (e) accounting methods and periods, and
- (f) Subpart F income.

(3) The following are the major items that require different treatment under the state and federal statutes:

- (a) combined reporting,
- (b) consolidated returns,
- (c) dividends received deduction,
- (d) municipal bond interest,
- (e) capital loss deduction,
- (f) loss carry-overs and carry-backs, and
- (g) gross-up on foreign dividends.

KEY: taxation, franchises, historic preservation, trucking industries

Date of Enactment or Last Substantive Amendment: October 13, 2011

Notice of Continuation: March 8, 2007

Authorizing, and Implemented or Interpreted Law: 9-2-401 through 9-2-415; 16-10a-1501 through 16-10a-1533; 53B-8a-112; 59-1-1301 through 59-1-1309; 59-6-102; 59-7; 59-7-101; 59-7-102; 59-7-104 through 59-7-106; 59-7-108; 59-7-109; 59-7-110; 59-7-112; 59-7-302 through 59-7-321; 59-7-402; 59-7-403; 59-7-501; 59-7-502; 59-7-505; 59-7-601 through 59-7-614; 59-7-608; 59-7-701; 59-7-703; 59-10-603; 59-13-202; 59-13-301; 63M-1; 63M-1-401 through 63M-1-416