

Notice

August 2018



Utah State Tax Commission
210 North 1950 West
Salt Lake City, UT 841

tax.utah.gov

Utah Tax on Deferred Foreign Income

On Dec. 22, 2017 Congress passed the *Tax Cuts and Jobs Act of 2017*, requiring taxpayers to report and pay tax on previously unreported foreign income. On July 18, 2018 the Utah Legislature passed HB 2002, clarifying that deferred foreign income is subject to Utah corporate income tax.

Any of your clients who have a federal tax liability under IRC §965(a) are also subject to tax on that income by Utah.

To report IRC §965(a) deferred foreign income, file form TC-20R (attach *IRC 965 Transition Tax Statement*) and pay the amount due by the due date of the 2017 return plus extensions. Get forms online at tax.utah.gov/forms.

Filers may pay the Utah tax on deferred foreign income in installments over eight years. If making installments, the amount due for 2017 is 8 percent. Make installment payments over the next seven years with the Utah corporation tax return.

See more details on form TC-20R and in Utah Code §§59-7-101 and 118. For more information call the Tax Commission at 801-297-2200.