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Georgia Updates IRC Conformity and Suspends Motor Fuels Tax

Georgia has enacted legislation updating its corporate and personal income tax Internal Revenue Code (IRC) conformity date, and also temporarily suspended the collection of the motor fuels tax.

IRC Conformity

The new IRC conformity date incorporates federal tax law changed enacted on or before January 1, 2026. The updated conformity date is applicable to all taxable years beginning on or after January 1, 2025.

Specific IRC Provisions

State and Local Tax (SALT) Caps.— Georgia's State and Local Tax (SALT) deduction cap remains at \$10,000, and does not conform to the new federal \$40,000 cap.

Tips and Overtime.— Georgia has not conformed to the new federal provisions that eliminate taxes on tips or overtime pay.

Low-Income Housing Tax Credit (LIHTC).— Georgia will partially conform to federal LIHTC rules (IRC §42), but has set an annual cap of \$100 million in credits from 2026 through 2028.

Additional Individual Conformity Provisions.— Georgia's conformity legislation also includes several provisions affecting individuals, including:

- limiting casualty loss deductions to those arising from federally declared disaster events;
- removing the availability of miscellaneous itemized deductions;
- replacing the previous limitation on higher-income taxpayers' itemized deductions with a new cap on the overall tax benefit those deductions may generate;
- adopting federal provisions that exclude employer-provided student loan repayment assistance from taxable income;
- updating the thresholds applicable to charitable contribution deductions for itemizing taxpayers; and
- aligning with federal enhancements to the exclusion rules applicable to qualified small business stock.

Additional Business Conformity Provisions.— The legislation conforms to federal corporate charitable contribution limitation rules, but it declines to follow several federal business tax provisions, including:

- not conforming to federal full expensing under IRC §168(k);
- not conforming to federal research and experimental expenditure capitalization rules, with Georgia continuing to apply pre-TCJA full-expensing treatment;

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- not conforming to federal business interest-limitation provisions under IRC §163(j);
- partially conforming to IRC §179 expensing limitations; and
- not conforming to federal special depreciation allowance rules.

Tax Suspension on Motor Fuels

Additionally, the collection of motor fuels tax has been suspended for 60 days. Ch. 375 (H.B. 1199), Laws 2026, effective March 20, 2026, and applicable to all taxable years beginning on or after January 1, 2026

Utah Imposes Tax on Access to Digital Video or Audio Works, Subscription-Based Streaming Services

Effective July 1, 2026, Utah imposes a sales and use tax on amounts paid or charged for access to digital audio-visual works, digital audio works, digital books, or gaming services, including the streaming of or subscription for access to digital audio-visual works, digital audio works, digital books, or gaming services regardless of:

- the delivery method; or
- whether the amount paid or charged for access provides a right to: (A) single-use access to the digital audio-visual works, digital audio works, digital books, or gaming services; or (B) access to the digital audio-visual works, digital audio works, digital books, or gaming services through a subscription, including a right that terminates upon the occurrence of a condition.

In addition, tax is imposed on amounts paid or charged for the storage, use, or other consumption of the following:

- prewritten computer software delivered electronically or by load and leave; or
- seller-hosted prewritten computer software.

For purposes of the tax, “seller-hosted prewritten computer software” means prewritten computer software that is accessed through the Internet or a seller-hosted server, regardless of whether the access is permanent or any downloading occurs.

Further, amounts paid or charged for a transaction subject to the multi-channel video or audio service tax are exempt from sales and use tax. Ch. 266 (S.B. 162), Laws 2026, effective July 1, 2026

Utah Legislation Modifies Various Tax Provisions, Including Extending the Pass-Through Entity Tax

Enacted Utah legislation modifies various tax corporate income, personal income, sales and use, and property tax provisions, including the following:

- consolidates certain State Tax Commission reports in relation to federal tax law changes;
- provides penalty provisions that apply if a producer fails to file a Form 1099 for mineral production tax withholding or fails to file the Form 1099 on time;
- modifies filing requirements applicable to producers for mineral production tax withholding;
- clarifies property tax assessment requirements for the common areas of a condominium or community association;
- increases property valuation thresholds for which county reporting to the State Tax Commission and the Revenue and Taxation Interim Committee is required;
- modifies the definition of “indigent individual,” as applied to property tax relief, by removing language that limits a finding of extreme hardship by counties;
- allows a taxpayer to appeal a county’s denial of the taxpayer’s application for property tax relief on the basis of late filing;
- consolidates a list of all privilege tax exemptions within the privilege tax statute;
- consolidates certain income tax credit review requirements applicable to the Utah low-income housing tax credit;
- expands the definition of “Utah unrelated business income,” as applied to corporate income tax, to include allocated income;
- modifies the taxpayer income tax credit definition of “state or local income tax” to align with federal tax changes;

- removes the expiration date on provisions allowing for pass-through entities to pay taxes on behalf of individuals;
 - expands the sales and use tax definition of “short-term” rental to include the transfer of possession or control of real property, tangible personal property, or a product transferred electronically for consideration and less than 30 consecutive days;
 - increases the weight-based motor vehicle exemption for the motor vehicle rental tax;
 - modifies the motor vehicle exemptions for the tourism, recreation, cultural, convention, and airport facilities tax to match the exemptions for the motor vehicle rental tax;
 - requires a taxing entity to provide notice of the reauthorization of certain local option sales taxes to the State Tax Commission within a certain period before the reauthorization takes effect;
 - prohibits the State Tax Commission from enforcing a reauthorized local option sales tax unless the taxing entity provides timely notice of the reauthorization; and
 - repeals obsolete tax provisions, including the income tax credit for items using cleaner burning fuels and the inheritance tax.
- Ch. 299 (H.B. 77), Laws 2026, effective May 6, 2026. except as noted in the legislation

ARIZONA

Multiple Taxes: Interest Rates Decreased for Q2

The interest rate on the underpayment and overpayment of Arizona taxes has been reduced to 6% for the period April 1, 2026, through June 30, 2026. The rate had been set at 7% since January 1, 2025. *Interest Rates*, Arizona Department of Revenue, March 23, 2026

CALIFORNIA

Multiple Taxes: Guidance Issued on Changes to USPS Postmark Policy

The U.S. Postal Service (USPS) recently updated its guidance on what a postmark date represents and the change may affect the timely filing of tax returns and payments.

Postmark Date May Be Later Than Date Item Was Mailed

Under the updated Domestic Mail Manual, the postmark date on most mail now reflects the date the item is first processed at a postal facility, not necessarily the date it was placed in a mailbox or collected by a carrier. This means that the postmark date may be later than the date a taxpayer mailed their tax return, payment, petition, or claim for refund.

Avoid Late Filing Penalties and Interest

California law generally considers a document or payment timely if it is postmarked on or before the due date.

As a result, a later postmark could result in penalties and interest for late filing. To avoid that, taxpayers are encouraged to:

- file and pay online;
- mail early by sending returns and payments several days before the deadline; and
- visit the post office if mailing close to the due date and request a manual postmark to ensure the date reflects when the USPS accepted the item and/or obtain a certificate of mailing or use registered or certified mail for proof of mailing.

Publication 388, Tax Information Bulletin, California Department of Tax and Fee Administration, March 2026

COLORADO

Multiple Taxes: Guidance Provided on Timely Filing and Postmarks

The Colorado Department of Revenue issued guidance regarding its acceptance of postmarks as evidence of timely filing of tax documents or payments. The guidance notes that adjustments in U.S. Postal Service transportation operations may result in postmarks applied at processing facilities that do not match the date on which the mail was collected by a letter carrier or dropped off at a retail location or collection box. As required by statute, the Department of Revenue will rely upon the postmark to establish the date of filing or payment. Recommendations to ensure that the date of postmark is the date of mailing include manual postmark requests or the use of certified or registered mail services. Electronic options for filing and payment are also available for some tax and fee types. *Timely Filing*

and Postmarks, Colorado Department of Revenue Division of Taxation, March 2026

GEORGIA

Income Tax, Practice and Procedure: One-Time Income Tax Rebate Enacted

A one-time income tax credit has been enacted for individuals who file Georgia individual income tax returns for both the 2024 and 2025 taxable years by the extended due date for the 2025 return. A qualified taxpayer generally includes any individual meeting these filing requirements, except nonresident aliens, individuals claimed as dependents for 2024, and estates or trusts. However, an individual claimed as a dependent for 2024 may still qualify if that individual had earned income in 2024.

Once the 2025 return is filed, the Department of Revenue must automatically issue a refund equal to the lesser of the taxpayer's 2024 Georgia income tax liability or a fixed amount based on 2024 filing status:

- \$250 for single or married-filing-separately taxpayers;
- \$375 for heads of household; and
- \$500 for married-filing-jointly taxpayers.

Nonresidents and part-year residents receive a prorated amount tied to the ratio of Georgia-taxable income reported for 2024. The refund cannot exceed the taxpayer's 2024 tax liability and is not treated as taxable income for Georgia purposes.

Refunds are issued electronically or by check according to the taxpayer's 2025 refund instructions and must first be applied to any outstanding liabilities or debts subject to setoff. The credit does not accrue interest, and the commissioner is authorized to issue rules necessary to administer the provision. Act 374 (H.B. 1000), Laws 2026, effective March 20, 2026

Motor Fuel Tax: Motor Fuel Excise Tax Suspension FAQs Issued

Georgia has issued a document answering frequently answered questions (FAQs) regarding the temporary suspension of motor fuel taxes. The suspension is in effect from 11:00 AM on March 20, 2026, through 11:59 PM on May 19, 2026. *2026 Suspension of Georgia Motor Fuel Taxes - FAQs*, Georgia Department of revenue, March 20, 2026

ALASKA

Property Tax: Governor Proposes Changes to Liquefied Natural Gas Project

Alaska Gov. Mike Dunleavy transmitted legislation to the Alaska State Legislature replacing the existing oil and gas property tax structure for the Alaska Liquefied Natural Gas Project with an alternative tax that is based on the volume of gas that moves through the pipeline rather than the assessed value of the pipeline itself. The current tax structure levies a 20 mill annual property tax, equal to 2% of assessed infrastructure value. The governor's proposed legislation seeks to remove the front-end tax burden and align the taxes with production. *News Release*, Office of the Governor, March 20, 2026

Motor Fuel Tax: Guidance Issued for IFTA Returns During Suspension

Georgia issued guidance on the suspension of motor fuel excise tax for motor carriers licensed with the International Fuel Tax Association (IFTA). The tax suspension applies from March 20, 2026, at 11:00 a.m. through May 19, 2026, at 11:59 p.m. Motor carriers are exempt from motor fuel excise tax on qualifying motor fuel purchases and must report all miles traveled and fuel gallons purchased in Georgia during the suspension period as non-taxable on their IFTA returns. Mileage and fuel records must be maintained to support filed returns. *Suspension of Georgia Motor Fuel Taxes*, Georgia Department of Revenue, March 20, 2026

IDAHO

S&U Tax: Tax Rebate for Certain Developers of New Retail Complexes Amended

Enacted Idaho legislation amends the program that allows developers to receive a rebate of sales taxes to be collected from retailers within a new complex for transportation improvements. Specifically, the legislation decreases the minimum project total expenditure requirement from \$6 to \$5 million and increases the

maximum allowed from \$35 to \$100 for a qualified project. In addition, the legislation clarifies that approved projects cannot be modified at a later date. H.B. 751, Laws 2026, effective retroactively to January 1, 2026

Multiple Taxes: Provisions for Reporting Federal Changes Under Centralized Partnership Audit Rules Adopted

Enacted Idaho income tax legislation adopts provisions on the reporting of federal partnership, S corporation, and other pass-through entity audits and adjustments to federal taxable income. Generally, the law aligns Idaho's reporting requirements for partnerships with the federal centralized partnership audit rules system. H.B. 733, Laws 2026, effective July 1, 2026

ILLINOIS

S&U Tax: Guidance Issued on Vehicle Leases

Illinois issued guidance that illustrates the sales tax obligations of:

- vehicle dealerships and leasing companies for original lease transactions; and
- leasing companies and lessees for sales of vehicles after the end of a lease.

PIO-124, Vehicle Leasing Process, Illinois Department of Revenue, March 2026

INDIANA

S&U Tax: April 2026 Gasoline Use Tax Rate Announced

The Indiana gasoline use tax rate for the month of April 2026 is \$0.172 per gallon. *Departmental Notice #2*, Indiana Department of Revenue, April 2026

IOWA

Income Tax, Business Incentives: Rules Related to Workforce Housing Tax Incentive Program Adopted

Iowa announced the adoption of rules related to the Workforce Housing Tax Incentive Program, effective April 22, 2026. The rule-making adopts a new chapter and

ARKANSAS

S&U Tax, Practice and Procedure: Report That Lists All Businesses That Remit Sales and Use Taxes Is Not Public Record Subject to Disclosure

A report, authorized by statute, that lists all businesses that remit sales and use taxes may not be released under the Freedom of Information Act (FOIA) because it falls within a statutory exemption for information pertaining to any tax return. Moreover, a municipality cannot pass a local ordinance that prohibits the release of information that is otherwise subject to disclosure under FOIA. *Opinion No. 2026-007*, Arkansas Attorney General, February 12, 2026

describes the policies and procedures applicable to the program. The new chapter is clearer and more concise throughout and omits duplicate language. Additionally, the new chapter omits inconsistencies due to changes to the program and its available allocation of tax credits in 2025 Iowa Acts, S.F. 657.

ARC 0130D, Iowa Economic Development Authority, effective as noted above.

Income Tax, Business Incentives: Rules Related to Redevelopment Tax Credits Program Adopted

Iowa announced the adoption of rules related to the Redevelopment Tax Credits Program, effective April 22, 2026. The rule-making rescinds and adopts a new chapter and describes the policies and procedures applicable to the program. The program provides tax credits for the acquisition, remediation, or redevelopment of brownfield and grayfield sites. The new chapter is clearer and more concise and omits duplicate language. *ARC 0132D*, Iowa Economic Development Authority, effective as noted above

Income Tax, Business Incentives: Rules Related to Research and Development Tax Credit Program Adopted

Iowa announced the adoption of rules related to the Research and Development Tax Credit Program, effective April 22, 2026. The rule-making adopts a new chapter and

describes the policies and procedures applicable to the program. The program provides incentives to businesses that conduct qualified research and development in Iowa. ARC 0133D, Iowa Economic Development Authority, effective as noted above

LOUISIANA

S&U Tax: Exemption for Contractor Purchases for Public Construction Projects Explained

The Louisiana Department of Revenue has issued guidance explaining when general contractors and subcontractors may qualify for a sales and use tax exemption when making purchases related to public construction projects. The Department also clarifies ownership and use requirements and provides examples. *Revenue Information Bulletin No. 26-010*, Louisiana Department of Revenue, March 17, 2026

MICHIGAN

Misc. Tax: Guidance issued on Wholesale Marihuana Tax

The Michigan Department of Treasury issued guidance on the wholesale marihuana tax effective in 2026. Beginning January 1, 2026, a 24% excise tax is imposed on the wholesale price of marihuana sold or transferred by specified persons. The guidance covers tax base, application, and filing and remittance of the tax. *Revenue Administrative Bulletin 2026-3*, Michigan Department of Treasury, March 17, 2026

MISSISSIPPI

S&U Tax: Columbus-Lowndes County Adopts Updated “Hotel” Definition

Mississippi issued a notice stating that, for the purposes of their hotel and motel tax, the city of Columbus and the unincorporated area of Lowndes County have adopted the revised definition of “hotel” provided in Senate Bill 2805, as passed during the 2025 Regular Session of the Mississippi Legislature. This definition of “hotel” includes, in addition to entities included in the prior definition, entities and individuals furnishing, facilitating, arranging,

COLORADO

Multiple Taxes: Penny Rounding Guidance Issued

Colorado issued guidance on rounding procedures for sales and use taxes following the cessation of penny production by the U.S. Treasury in November 2025. Retailers must calculate tax amounts to three decimal places and round sales tax based on specified thresholds. The guidance also applies to state and state-administered local sales taxes, retail delivery fees, retail marijuana sales taxes, and other related taxes and fees. Colorado invites public input to inform potential rulemaking regarding these procedures. *Rounding Guidance for Retailers*, Colorado Department of Revenue, March 2026

brokering, or providing transient guest accommodations, including third-party facilitators and short-term rental platforms. This change is effective January 15, 2026. *Notice 72-26-04*, Mississippi Department of Revenue, March 11, 2026

S&U Tax: Southaven Adopts Updated “Hotel” Definition

Mississippi issued a notice stating that, for the purposes of its hotel and motel tax, the city of Southaven has adopted the revised definition of “hotel” provided in Senate Bill 2805, as passed during the 2025 Regular Session of the Mississippi Legislature. This definition of “hotel” includes, in addition to entities included in the prior definition, entities and individuals furnishing, facilitating, arranging, brokering, or providing transient guest accommodations, including third-party facilitators and short-term rental platforms. This change is effective April 1, 2026. *Notice 72-26-03*, Mississippi Department of Revenue, March 11, 2026

S&U Tax: Olive Branch Adopts Updated “Hotel” Definition

Mississippi issued a notice stating that, for the purposes of its hotel and motel tax, the city of Olive Branch has adopted the revised definition

of “hotel” provided in Senate Bill 2805, as passed during the 2025 Regular Session of the Mississippi Legislature. This definition of “hotel” includes, in addition to entities included in the prior definition, entities and individuals furnishing, facilitating, arranging, brokering, or providing transient guest accommodations, including third-party facilitators and short-term rental platforms. This change is effective April 1, 2026. *Notice 72-26-02*, Mississippi Department of Revenue, March 11, 2026

MONTANA

Property Tax: Governor Petitions State Supreme Court

Montana Gov. Greg Gianforte has petitioned the Montana Supreme Court to exercise original jurisdiction and provide an expedited ruling on a recent lawsuit challenging the constitutionality of property tax reform passed during the 2025 legislative session. The lower court lawsuit alleges that Senate Bill 542 violates the Montana Constitution’s “single subject” and “original purpose” provisions. The plaintiffs argue that the bill was fundamentally altered during the legislative process. If the lawsuit succeeds in the lower courts, it could potentially invalidate the tax rates applied in the 2025 tax year and roll back about \$95 million in property tax rebates claimed by Montanans last year. The governor argues that the bill does not violate the Montana Constitution and was lawfully passed. However, he states that he and the Legislature need confirmation of that before the 2027 legislative session begins. *Press Release*, Montana Gov. Greg Gianforte, March 16, 2026

NEW HAMPSHIRE

Multiple Taxes: Department Shares Tax Tips and Filing Guidance for 2026

The New Hampshire Department of Revenue Administration shared updates and reminders for the 2026 filing season, including information on:

- form adjustments and updated forms;
- meals and rentals tax guidance in light of the end of the penny and rounding practices; and
- USPS postmark clarification.

Release, New Hampshire Department of Revenue Administration, March 10, 2026

FLORIDA

Severance Tax: Solid Mineral Tax Rates for 2026 Announced

Solid mineral severance tax rates for calendar year 2026 are:

- \$1.61 per ton for phosphate rock producers;
- \$3.80 per ton for heavy minerals; and
- 8% of the taxable value of the other solid minerals produced for solid minerals other than phosphate rock and heavy minerals.

Phosphate rock producers, heavy minerals producers, and other solid minerals producers are instructed to use these rates when completing Form DR-142ES, Declaration/Installment Payment of Estimated Solid Mineral Severance Tax.

Tax Information Publication, No. 26B07-01, Florida Department of Revenue, March 17, 2026

NEW MEXICO

Multiple Taxes: 2026 Q2 Interest Rates Announced

New Mexico has announced that its interest rate on underpaid and overpaid taxes will decrease to 6% for the second quarter of 2026. *Penalty & Interest Rates*, New Mexico Taxation and Revenue Department, March 24, 2026

RHODE ISLAND

Property Tax: Division Issues Guidance on Non-Owner Occupied Property Tax for Prior Periods

The Rhode Island Division of Taxation has issued guidance on the non-owner occupied property tax for the period from December 30, 2025 through June 30, 2026. Effective July 1, 2026, an additional property tax is imposed upon non-owner occupied residential properties for properties in excess of \$1 million. The guidance primarily addresses responsibility for the tax if the property is transferred during the year prior to the effective date of the tax since the tax is assessed based on prior year value and occupancy. *ADV 2026-09*, Rhode Island Division of Taxation, March 16, 2026

SOUTH CAROLINA

S&U Tax: Amazon Required to Remit Taxes on Third-Party Sales Made in 2016

The South Carolina Supreme Court held that, under the law in 2016, Amazon Services was obligated to collect and remit taxes owed for sales of products by third-party merchants. The material question under the law was not whether the company was a seller, but whether it was engaged in the business of selling. The company purposefully crafted a business model that made its involvement integral to every third-party transaction. Therefore, the court found that the company was engaged in the business of selling.

The company argued that it did not receive consideration “for” transferring tangible personal property, but the plain language of the law did not require the taxpayer to receive consideration “for” the sale subject to the statute.

Due Process. In 2019, the South Carolina General Assembly adopted Act 21 concerning requirements for marketplace facilitators to remit sales tax on online sales involving third-party merchant products. The company argued that requiring it to remit sales tax for third-party transactions violated the due process requirement of fair notice because it effectively applied Act 21 retroactively. However, when issuing its determination, the Department of Revenue applied the South Carolina sales and use tax law as written in 2016 to the company’s business model, a year before the General Assembly’s legislative debate and subsequent enactment of Act 21. Because the Act did not exist when the determination was issued, the Department could not have applied Act 21 retroactively. Accordingly, there was no due process violation. *Amazon Services, LLC v. South Carolina Department of Revenue*, South Carolina Supreme Court, No. 28319, March 18, 2026

SOUTH DAKOTA

S&U Tax: Tax Guidance for Attorney Services Updated

South Dakota updated its guidance on sales and use tax for attorney services. Attorneys operating within or entering South Dakota must comply with a 4.2% state sales tax and municipal sales tax rates ranging from 1% to 2%, depending on office location or service usage. The guidance also addresses taxable retainer fees, reimbursable expenses, and tax treatment of expert

GEORGIA

Motor Fuel Tax: Motor Fuel Tax Suspended

Georgia temporarily suspended motor fuel excise tax collection from 11:00 AM on March 20, 2026, through 11:59 PM on May 19, 2026. The suspension applies to gasoline, clear diesel, aviation gasoline, liquid propane, gasohol, ethanol, liquefied natural gas, and compressed natural gas. The suspension does not apply to any local sales or use taxes, including prepaid local tax *Suspension of Georgia Motor Fuel Taxes, MFT-2026-001*, Georgia Department of Revenue, March 20, 2026

consulting and testimony. *Attorneys*, South Dakota Department of Revenue, February 2026

S&U Tax: Contractor Obligations for Communication Equipment Updated

South Dakota issued guidance on the taxation of the installation and repair of communication equipment. The guidance addresses the application of contractor’s excise tax, sales tax, and use tax, including a 2% contractor’s excise tax, a 4.2% state sales and use tax, and municipal sales and use taxes ranging from 1% to 2%. It outlines tax obligations for prime contractors and subcontractors, covering projects involving qualified utilities, cable TV systems, satellite dish installations, and sound systems. *Installation and Repair of Communication Equipment*, South Dakota Department of Revenue, February 2026

S&U Tax: Guidance For Religious Organizations Updated

South Dakota updated its guidance on sales and use tax, contractor’s excise tax, and use tax obligations for religious organizations. Religious organizations are not exempt from sales tax on purchases, regardless of their IRS 501(c)(3) exempt status. State sales tax is 4.2%, municipal sales tax ranges from 1% to 2%, and contractor’s excise tax is 2%. The guidance discusses use tax obligations for taxable items and services and encourages religious organizations to obtain a use tax license to facilitate reporting of use tax due. *Religious Organizations*, South Dakota Department of Revenue, February 2026

S&U Tax: Entertainment Services Taxation Guidance Updated

South Dakota updated its guidance on sales and use taxes for entertainment services. Providers of entertainment services, including actors, bands, DJs, and other performers, must obtain a sales tax license and remit tax on payments received for their services. The guidance specifies state sales tax at 4.2% and municipal tax rates ranging from 1% to 2%. It also addresses the taxation of tips, merchandise sales, and transactions involving meals or drinks. *Entertainers*, South Dakota Department of Revenue, February 2026

S&U Tax: Dental Guidance Updated For Exemptions And Taxable Items

South Dakota updated its guidance on sales and use tax for dentists and dental-related businesses. Health services provided by dental offices, clinics, and laboratories are exempt from state and municipal sales and use tax. Taxable items include non-prescription products, while state tax rates are 4.2% and municipal tax rates range from 1-2%. Exemptions are outlined for prescribed prosthetic devices and single-patient medical devices. Licensing and recordkeeping requirements for providers are also addressed. *Fact Sheet - Dentists*, South Dakota Department of Revenue, February 2026

Multiple Taxes: Guidance for Bars and Restaurants Updated

South Dakota updated and expanded its guidance on sales and use tax for bars and restaurants. The guidance addresses taxable receipts, including food, beverages, employee meals, coupons, cigarettes, containers, vending machine sales, and advertising. It outlines tax exemptions for government and qualifying entities and establishes recordkeeping requirements for business licenses and alcoholic beverage licenses. *Bars and Restaurants*, South Dakota Department of Revenue, February 2026

TEXAS

Income Tax: Temporary Credit for Business Loss Carryforward—Changing Combined Groups Memorandum Amended

The Texas Comptroller has amended the memorandum titled “Temporary Credit for Business Loss

MICHIGAN

Multiple Taxes: Relief Available for Taxpayers in Certain Counties Impacted by Winter Weather

The Michigan Department of Treasury announced that tax filing and payment relief is available for certain counties where a state of emergency was declared after extreme winter weather. Taxpayers in Alcona, Alpena, Delta, Missaukee, Ogemaw, Roscommon and Wexford counties can request extra time for filing and payment deadlines that occur on or before April 30, 2026.

Thus, return filing and payment deadline for individuals (April 15, 2026), corporations (April 30, 2026), and certain pass-through entities (March 31, 2026), and filing and payment deadlines for monthly or quarterly sales and use tax returns (March 20, 2026, or April 20, 2026) can be extended. The relief is not automatic and taxpayers must contact the department for relief. *Release*, Michigan Department of Treasury, March 19, 2026

Carryforward—Changing Combined Groups,” which was originally issued on April 9, 2014. This document was originally issued under Comptroller Letter No. 201404878L. The amendment removes the examples under the titles “Entity’s acquisition creates a new combined group” and “No change in combined group.” *Comptroller Letter No. 201404993M*, Texas Comptroller of Public Accounts, March 18, 2026

UTAH

Income Tax: Provisions Relating Carson Smith Opportunity Scholarship Program Amended

Enacted Utah legislation amends provisions related to the nonrefundable corporate income and personal income tax credit for donations to the Carson Smith Opportunity Scholarship Program. Specifically, the legislation does the following:

- eliminates the carry forward and carry back provisions for the tax credit beginning January 1, 2026;

- provides that a taxpayer may claim the tax credit for the taxable year indicated on the tax credit certificate issued beginning January 1, 2026;
 - provides that a taxpayer may not claim the tax credit for a donation to the extent the taxpayer claims the donation as a deduction or credit against the taxpayer's federal income taxes for any taxable year beginning January 1, 2026;
 - eliminates income based eligibility requirements for the scholarship;
 - removes scholarship eligibility for a sibling;
 - aligns the scholarship requirements with the Utah Fits All Scholarship Program;
 - allows the scholarship granting organization to approve qualified providers and private schools;
 - requires the scholarship granting organization to ensure physical education and extracurricular caps are followed;
 - amends the definition of scholarship expense to be the same across multiple scholarship programs;
 - establishes primary residency verification to be eligible for a scholarship;
 - creates a deadline for an eligible student to accept the scholarship that the scholarship granting organization determines; and
 - clarifies entities that are not eligible to be a qualified provider under the scholarship Program.
- Ch. 217 (S.B. 54), Laws 2026, effective May 6, 2026, except as noted

Income Tax: Definition of “Parent” Amended for At-Home Parent Credit

The definition of a “parent” throughout the Utah Code is amended, including for the nonrefundable personal income tax credit for at-home parents. Specifically, the definition is amended to mean an individual who:

- has a parent-child relationship, as defined in Sec. 81-5-102, Idaho Code, with a qualifying child
- is the stepfather or stepmother of a qualifying child;
- has a qualifying child placed in the individual's home by a child-placing agency and for the purpose of legally adopting the child;
- is a foster parent of a qualifying child; or
- is a legal guardian of a qualifying child.

Ch. 155 (S.B. 257), Laws 2026, effective May 6, 2026

UTAH

Income Tax: Tax Rates Reduced

For taxable years beginning on or after January 1, 2026, the Utah corporate and individual income tax rates are reduced from 4.5% to 4.45%. Ch. 250 (S.B. 60), Laws 2026, effective May 6, 2026, applicable retroactively for taxable years beginning on or after January 1, 2026

Income Tax, Practice and Procedure: State Tax Commission Required to Provide Information About Registering as Organ Donor

Enacted Utah legislation requires or encourages information about the option and process to register as an organ donor to be provided in connection with or in certain circumstances related to individual income tax instructions booklets and the State Tax Commission's website. H.B. 117, Laws 2026, effective May 6, 2026

Income Tax, Practice and Procedure: Contributions to School Meals Debt Relief Fund Allowed on Tax Return

For taxable years beginning on and after January 1, 2026, individual Utah taxpayers are allowed to designate contributions to the School Meals Debt Relief fund on individual income tax returns. Ch. 178 (H.B. 148), Laws 2026, effective May 6, 2026, applicable for taxable years beginning on or after January 1, 2026

S&U Tax: Exemption Enacted for Sales of Tickets to the 2034 Olympic and Paralympic Winter Games

Effective January 1, 2028, sales of tickets to the 2034 Olympic and Paralympic Winter Games are exempt from Utah sales and use tax. For purposes of the exemption, “Olympic or Paralympic ticket” means: (a) a ticket to an Olympic or Paralympic event or venue for the games; and (b) a hospitality package that bundles such a ticket with

exclusive amenities, food, beverage, merchandise, or other hospitality offerings. Ch. 323 (H.B. 537), Laws 2026, effective January 1, 2028

S&U, Misc. Taxes: Tax Imposed on Certain Covered Entities Providing Content Harmful to Minors

Effective October 1, 2026, Utah imposes an excise tax on a covered entity that provides content harmful to minors in an amount equal to 2% of the sales price of covered transactions.

A “covered entity” means a commercial entity that is required to perform age verification under Sec. 78B-3-1002, Utah Code. A “covered transaction” means amounts paid to or charged by a covered entity for access to digital images, digital audio-visual works, digital audio works, digital books, or gaming services, including the streaming of or subscription for access to digital images, digital audio-visual works, digital audio works, digital books, or gaming services regardless of:

- the delivery method; or
- whether the amount paid or charged for access provides a right to: (i) single-use access to the digital images, digital audio-visual works, digital audio works, digital books, or gaming services; or (ii) access to the digital images, digital audio-visual works, digital audio works, digital books, or gaming services through a subscription, including a right that terminates upon the occurrence of a condition.

Collection And Administration

A covered entity that collects the tax imposed on covered transactions must remit to the State Tax Commission, in an electronic format approved by the Commission, the tax due in the previous quarter and the tax return. If a covered entity is required to file a sales and use tax return, the covered entity must file the excise tax return and remit the excise tax imposed in an electronic format the Commission approves on the same schedule as the covered entity’s sales and use tax filing.

Records

A covered entity must maintain records of covered transactions to determine the amount of tax due for a period of three years. Ch. 220 (S.B. 73), Laws 2026, effective May 6, 2026, except as noted

UTAH

Income Tax, Practice and Procedure: Contributions to Citizenship Scholarship Fund Allowed on Tax Return

For taxable years beginning on and after January 1, 2026, individual Utah taxpayers are allowed to designate contributions to the Citizen Scholarship Fund on individual income tax returns. Ch. 206 (H.B. 502), Laws 2026, effective May 6, 2026, applicable for taxable years beginning on or after January 1, 2026

Property Tax: Enacted Legislation Provides That Extraterritorial County Property is Taxable Unless Exceptions Apply

Beginning January 1, 2027, extraterritorial county property that is acquired on or after May 6, 2026, is subject to Utah property tax. Beginning January 1, 2029, extraterritorial county property that was acquired before May 6, 2026, is subject to property tax. “Extraterritorial county property” means real property owned by a county that is located outside the geographical boundaries of the county.

However, extraterritorial county property retains the exemption under Sec. 59-2-1101(3)(a)(iii)(A) if the county that owns the property and the county where the property is located: (i) agree to maintain the exemption in regard to the extraterritorial county property; and (ii) enter into an agreement regarding the extraterritorial county property.

If extraterritorial county property is subject to property tax, the extraterritorial county property must be assessed and taxed at the property’s taxable value and use immediately before the county’s acquisition of the extraterritorial county property, including any assessment under Part 5 of the Farmland Assessment Act. If the use of extraterritorial county property subject to property tax changes from an agricultural use to a non-qualifying use, the county that owns the property is subject to the rollback tax. The rollback tax must be calculated based on the difference between the greenbelt assessment and the fair market value assessment for the preceding five years. Ch. 201 (H.B. 445), Laws 2026, effective May 6, 2026, except as noted

Property Tax: Truth in Taxation Amendments Enacted

Enacted Utah legislation addresses property tax increases through truth in taxation by doing the following:

- requires fiscal year taxing entities proposing a property tax rate increase to make a preliminary statement in a public meeting regarding the taxing entity's consideration of a tax rate increase;
- clarifies notice and publication requirements for towns proposing a tax rate increase that do not have public websites;
- clarifies the State Tax Commission's authority to deny a taxing entity's proposed tax rate increase for failing to meet truth in taxation requirements;
- provides for a one-year period in which the State Tax Commission is not required to deny a fiscal year taxing entity's proposed tax rate increase for failure to comply with certain truth in taxation requirements;
- requires fiscal year taxing entities proposing a property tax increase to: prepare and adopt an interim budget that includes a property tax impact schedule; and reserve a certain amount of the taxing entity's general fund revenue in a restricted budget account for a limited period of time; and
- includes a coordination clause to incorporate changes made to Sec. 59-2-919, Utah Code, in S.B. 238, Property Tax Adjustments.

Ch. 306 (H.B. 236), Laws 2026, effective May 6, 2026

Property Tax: City Library Tax Amendments Enacted

Enacted Utah legislation modifies provisions related to a property tax imposed for a city library. Specifically, the legislation requires counties to separately state any levies imposed for city libraries on certain notices sent to owners of real property in a county of the first class. Ch. 325 (H.B. 565), Laws 2026, effective May 6, 2026, except as noted in the legislation

Property Tax: Various Provisions Related to Tax Exemption Process Amended

Enacted Utah legislation modifies various provisions related to the property tax exemption process. Specifically, the legislation does the following:

- establishes deadlines for a property owner to file an application with the county board of equalization

UTAH

Insurance Tax: Various Insurance Tax Code Provisions Amended

Enacted Utah legislation amends various provisions relating to insurance, including but not limited to, the following:

- amends provisions relating to a captive insurance company that is organized as a risk retention group;
- exempts a risk retention group from paying an annual fee;
- provides for the applicability of certain statutes to a risk retention group;
- requires that an insurer file with the commissioner and the National Association of Insurance Commissioners a quarterly statement of the insurer's financial condition; and
- changes the day on which an agency title insurance producer is required to pay an assessment from August 1 to August 31.

H.B. 58, Laws 2026, effective May 6, 2026

for a property tax exemption, and the county board of equalization to render a written decision on an application for a property tax exemption;

- authorizes the county board of equalization to request additional information from an applicant for a property tax exemption, in addition to or in lieu of holding a hearing on the application;
- provides for the county board of equalization to revoke a property tax exemption if property no longer qualifies for an exemption; and
- requires the county board of equalization to include notice of a property owner's appeal rights in a written decision regarding a property tax exemption.

Ch. 280 (S.B. 236), Laws 2026, effective January 1, 2027

Property Tax: Tax Adjustment Provisions Amended

Enacted Utah legislation modifies various property tax provisions by doing the following:

- requires residential property owners to apply to the county to receive a residential exemption if the property was ineligible for the residential exemption in the prior year, an ownership interest

in the property changes, or the county has reason to believe the property no longer qualifies for the residential exemption;

- clarifies burden of proof requirements in appeals involving property assessed by the State Tax Commission to provide that the party carrying the burden of proof does not have to show substantial error if the party is requesting the original assessed value in an appeal to the Commission;
- modifies the content and publication of the advertisement required for taxing entities to impose a judgment levy;
- clarifies the requirements for taxing entities to impose judgment levies and increase property taxes through truth in taxation; and
- modifies the time frame in which the State Tax Commission is required to certify a taxing entity's compliance with truth in taxation requirements.

Ch. 282 (S.B. 238), Laws 2026, effective May 6, 2026, applicable for taxable years beginning on or after January 1, 2026, except as noted in the legislation

Tobacco Tax: Remote Sales of Cigars and Pipe Tobacco Authorized and Taxed

Enacted Utah legislation authorizes telephone, mail, Internet, and other remote sales of a cigar or pipe tobacco, and provides for the licensing, bonding, and taxation of cigar and pipe tobacco transactions between a remote seller and a consumer in Utah. The amount of the tax is 0.86 multiplied by the actual cost of the cigar or pipe tobacco, or if the actual cost is unavailable, the actual cost of the cigar or pipe tobacco as identified in the actual cost list.

A remote seller must collect the tax from a consumer at the time of a remote retail sale of a cigar or pipe tobacco. In addition, the legislation establishes a criminal penalty of a Class B misdemeanor with a \$5,000 fine for failing to comply with the licensing, bonding, and tax collection requirements. Ch. 321 (H.B. 447), Laws 2026, effective January 1, 2027

Unclaimed Property: Standards for Custody of Digital Assets Presumed Abandoned Established

Enacted Utah legislation modifies provisions regarding unclaimed property by establishing standards for the

unclaimed property administrator's custody of digital assets presumed abandoned, including requirements for:

- the presumption of abandonment for digital assets;
- the delivery of abandoned digital assets to the administrator's custody;
- the sale or liquidation of abandoned digital assets by the holder at the direction of the administrator;
- the maintenance of abandoned digital assets by the holder if delivery is not possible; and
- the sale or liquidation of abandoned digital assets by the administrator.

"Digital asset" means any of the following that are held in a digital asset account:

- virtual currency;
- cryptocurrency;
- natively electronic assets, including a stablecoin or non-fungible token; or
- any other digital-only asset that confers economic, proprietary, or access rights or powers.

"Digital asset" does not include:

- a security;
- game-related digital content;
- a gift card; or
- a loyalty card.

Ch. 158 (H.B. 519), Laws 2026, effective May 6, 2026

Unclaimed Property: Various Unclaimed Property Amendments Enacted

Enacted Utah legislation modifies various provisions related to unclaimed property, including the following:

- provides for the State Tax Commission to share certain identifying information (i.e., adds email address) with the unclaimed property administrator for purposes of returning unclaimed property, effective July 1, 2026;
- modifies dates on which unclaimed property held in certain tax-deferred and tax-exempt accounts is presumed abandoned;
- provides for the filing of single claim by multiple claimants for the unclaimed property of a decedent; and
- establishes filing requirements for a claim that involves unclaimed property of a decedent.

Ch. 264 (S.B. 155), Laws 2026, effective May 6, 2026, except as noted

Multiple Taxes: Motor Fuel Tax Rate Reduced, Definitions Related to High Cost Infrastructure Development Tax Credit Amended, and Other Changes Enacted

Enacted Utah legislation makes the following fuel tax and supply amendments:

- reduces the rate of the motor fuel tax;
- amends definitions related to the high cost infrastructure development corporate and personal income tax credit;
- enacts provisions related to permitting and right-of-way coordination for certain oil and gas infrastructure;
- requires refineries to report to the Office of Energy Development regarding production; and
- provides guidelines regarding information and data reported by refineries to the Office of Energy Development.

Motor Fuel Taxes

Beginning on July 1, 2026, and ending on December 31, 2026, the rate of the motor fuel tax is reduced to \$0.319 per gallon. After such date, the previous rate structure resumes.

In addition, beginning on January 1, 2026, the tax rates for the following are \$0.212 per gallon equivalent:

- compressed natural gas (CNG);
- liquefied natural gas (LNG); and
- hydrogen used to operate or propel a motor vehicle upon the public highways of Utah.

Annual adjustments will apply based on the Consumer Price Index, capped at 22.5 cents per gallon equivalent.

High-Cost Infrastructure Development Tax Credit

The legislation expands the high-cost infrastructure development income tax credit by modifying the definition of “energy delivery project” to include a project that increases storage capacity of refined hydrocarbon products and development of a pipeline and related infrastructure for transmission of refined hydrocarbons for storage in a solution-mined subsurface salt cavern. Ch. 326 (H.B. 575), Laws 2026, effective May 6, 2026, except as noted

Multiple Taxes: Tax Credit Review Cycle Modified

Enacted Utah legislation modifies the tax credit review cycle for income tax credits by doing the following:

- exempts the income tax credit for taxes paid to another state from periodic review by the Revenue and Taxation Interim Committee;
- repeals an expired review requirement for refunds of amounts paid or withheld for a pass-through entity; and
- aligns the timing of the committee’s review of the refundable income tax credit allowed for purchases of motor fuel used in agriculture with the timing for reviewing other income tax credits.

Ch. 244 (S.B. 16), Laws 2026, effective May 6, 2026

Multiple Taxes: Veteran Organization Amendments Enacted

Enacted Utah legislation addresses veteran organizations that are exempt from federal income taxation (tax exempt veteran organizations) by doing the following:

- extends benefits to tax exempt veteran organizations that are otherwise available for other tax exempt entities, including eligibility to: claim a sales and use tax exemption for sales derived from the organization’s charitable activities; receive excess contributions from individuals and entities that are subject to campaign contribution limits; obtain donations from state agencies and assist state agencies in administering relief programs; and acquire conservation easements; and
- clarifies that for purposes of statutory construction, the terms “charitable,” “nonprofit,” and “not-for-profit,” in relation to an entity, include both tax exempt veteran organizations and other tax exempt entities unless otherwise excluded in statute.

Ch. 283 (S.B. 276), Laws 2026, effective May 6, 2026

Property, Misc. Taxes: Various Tax Amendments Enacted

Enacted Utah legislation modifies various provisions relating to tax. Specifically, the legislation does the following:

- creates the Statewide Tax Administration and Technology Solutions program, which includes the following services: maintenance and enhancement of the statewide property tax system, including statewide web portals; provision of property valuation services; valuation of personal property of telecommunications service providers; participation

in a study on the rate of a recovery fee for rentals of heavy equipment; collation of information from county auditors on project areas and from entities that seek to receive and receive tax increment financing;

- establishes the program manager and transfers responsibilities from the Multicounty Appraisal Trust (MCAT) to the program manager;
- imposes accounting and reporting obligations on the program manager;
- grants rulemaking authority to the State Tax Commission to establish the requirements for the statewide property tax system and for a county to comply with a factoring order;
- provides the conditions for a county to opt out of use of the statewide property tax system;
- beginning July 1, 2026, requires an entity intending to use tax increment to first conduct a public meeting and submit information to the program manager and notice to the taxing entities providing tax increment and the entities distributing tax increment;
- requires an entity that receives tax increment to report annually to the program manager;
- excludes certain property valuation increases from the calculation of locally assessed new growth;
- excludes increases to the value of tangible personal property from the calculation of project area new growth; and
- modifies definitions relating to public service districts to reflect the transition of land within the public service districts from unincorporated county to incorporated cities or towns since the public service districts formed.

Ch. 274 (S.B. 206), Laws 20260, effective May 6, 2026, except as noted in the legislation

VERMONT

Motor Fuel Tax: MFTIA and MFTA Rates Announced for Second Quarter of 2026

The Vermont motor fuel transportation infrastructure assessment (MFTIA) rate for the second quarter of 2026 (April to June 2026) is \$0.0476, and the motor fuel tax assessment (MFTA) rate is \$0.134 for the same time period. *MFTIA and MFTA Quarterly Fees*, Vermont Department of Motor Vehicles, March 2026

WASHINGTON

S&U Tax: Guidance on Self-Produced Fuels Updated

Washington guidance on the taxability of self-produced fuels has been updated. The use tax value for refinery fuel gas is 2.91 per million Btu for the period of April 1, 2026 through June 30, 2026. *Excise Tax Advisory No. 3014.2026*, Washington Department of Revenue, March 18, 2026

S&U Tax: Guidance Provided on Application of Use Tax

Washington use tax is generally due in the following circumstances where sales tax is not collected: items used in the taxpayer's business, out-of-state purchases, subscription, online, or mail order purchases, purchases from a business that is not required to be registered in Washington, and on personal property acquired with real property. *Use Tax*, Washington Department of Revenue, March 23, 2026

S&U Tax: High Volume Mortgage Lenders Subject to Tax on Interest Income

High volume mortgage lenders are required to pay Washington business and occupation (B&O) tax on amounts received as interest on loans primarily secured by first mortgages or trust deeds on nontransient residential properties. A "high volume mortgage lender" is a financial institution subject to the financial institution B&O surcharge and that has an annual closed mortgage origination volume of at least \$10 billion reported under the federal Home Mortgage Disclosure Act in the previous calendar year. For the enacted bill, see the legislative website. H.B. 2089, Laws 2026, effective July 1, 2026

S&U Tax: Excise Tax Calculations Not Impacted by Rounding of Cash Transactions Due to Elimination of the Penny

Washington has enacted legislation regarding the application of excise taxes to the price of cash transactions that have been adjusted due to the elimination of the penny. For in-person cash transactions that end in one cent, two cents, six cents, or seven cents, the final digit may be rounded down to the nearest

amount divisible by five cents. For cash transactions that end in three cents, four cents, eight cents, or nine cents, the final digit may be rounded up to the nearest amount divisible by five cents.

Sales and use tax must be imposed on the selling price of goods or services without regard to any rounding applied. Furthermore, rounding of the amount of sales or use tax due is not permitted.

Business and occupation (B&O) tax does not apply to amounts received from rounding-up adjustments. No deduction is allowed for rounding-down adjustments.

For the enacted bill, see the legislative website. H.B. 2334, Laws 2026, effective June 11, 2026

Property Tax: Targeted Urban Area Exemption Requirements Amended For Clean Energy Facilities

Requirements have been added for clean energy transformation business facilities receiving Washington's targeted urban area property tax exemption.

Filing Requirements

The property owner of a clean energy transformation business facility required to be certified by a federal regulatory commission must file the following information with the city: (i) verification that all requirements and commitments made by the applicant for prioritization in the application process have been met; (ii) a copy of the executed community workforce agreement or project labor agreement; and (iii) a statement of the postconstruction new prevailing or family living wage jobs to be offered as a result of the new construction.

The city must also determine whether labor standard requirements are consistent with the application and the contract and consult with the Department of Labor and Industries to confirm that all entities procured from or contracted with during the facility's construction have a history of complying with federal and state wage and hour laws, workers were paid at least a rate consistent with the state prevailing rate of wage during construction, and state-registered apprentices were employed on the project.

Deadline Extension

Cities are authorized to extend the deadline for project completion for up to four additional years (beyond the existing extension of two years) for a clean energy transformation business facility.

For the enacted bill, please see the legislative website. H.B. 1210, Laws 2026, effective June 11, 2026

Property Tax: Nonprofit Homeownership Exemption Amended

A nonprofit entity receiving Washington's property tax exemption for the development of housing for low-income households, may temporarily rent or loan the property to another organization and retain the exemption. The rents and donations received for the use of the portion of the property must be reasonable and must not exceed the maintenance and operation expenses. The property must also be exempt from tax if owned by the organization to which it is loaned or rented.

The exemption does not expire if the property is transferred to another nonprofit entity that is granted a property tax exemption for a different use. Furthermore, a nonprofit entity in receipt of this exemption must submit an annual renewal declaration.

For the enacted bill, see the legislative website. Ch. 102 (H.B. 2610), Laws 2026, effective June 11, 2026 and applicable to taxes levied in 2027 and after

Property Tax: Restrictions Imposed on Certain Multi-family Exemptions

Washington's 20-year multi-family property tax exemptions (for property located partially or fully within a station area of a city or located within one mile of high capacity transit) do not apply in tax increment financing areas in effect prior to June 2, 2026.

For the enacted bill, please see the legislative website. H.B. 2451, Laws 2026, effective June 2, 2026

Property Tax: Senior Citizen Property Relief Program Amended

Washington has expanded the senior citizen property tax relief program. Qualifying property owners are exempt from 100% of the state property tax. The qualifying income threshold percentages are increased by ten percentage points. In addition, the threshold percentage for the deferral program is increased by 15 percentage points.

The amount of assessed value used in determining the amount of regular property tax relief under income thresholds 1 and 2 are increased as follows: (i) applicants qualifying under income threshold 1 receive an exemption

on the greater of \$80,000 or 80 percent of the assessed valuation and (ii) applicants qualifying under income threshold 2 receive an exemption on the greater of \$70,000 or 45 percent of the assessed valuation with a \$200,000 maximum.

Combat-related special compensation is excluded from the determination of disposable income. A standard deduction option in the amount of \$7,500 for individuals and an additional \$7,500 for spouses and domestic partners, is available for determining combined disposable income.

Up to \$6,000 in rental payments may be deducted in the calculation of disposable income if the payments are derived from renting a living space in the person's principal place of residence.

For the enacted bill, see the legislative website. S.B. 6162, Laws 2026, effective June 11, 2026, applicable to taxes levied for collection in 2027 and after

Misc. Tax: Exemption for Agricultural Crop Protection Products Extended

The Washington hazardous substance tax exemption for agricultural crop protection products has been extended to January 1, 2038. The enacted bill can be viewed on the legislative website. S.B. 6244, Laws 2026, effective June 11, 2026

WEST VIRGINIA

Income Tax: Mine Safety Technology Credit Extended

West Virginia extended the sunset date for the corporate income tax credit available to coal mining companies that invest in mine safety technology designed to directly minimize workplace injuries and fatalities. The sunset date

is December 31, 2030. S.B. 622, Laws 2026, effective June 12, 2026

Income Tax: Rate Cut Legislation Sent to Governor

The West Virginia Legislature approved and sent to Gov. Patrick Morrisey legislation that cuts personal income tax rates beginning with the 2026 tax years. The rate reduction is less than the 10% cut proposed by the governor.

Taxpayers with a filing status of single, head of household, surviving spouse, or married filing jointly will pay income tax at a rate of:

- 2.11% on taxable income of up to \$10,000;
- 2.81% on taxable income over \$10,000 and up to \$25,000, plus \$211;
- 3.16% on taxable income over \$25,000 and up to \$40,000, plus \$632.50;
- 4.22% on taxable income over \$40,000 and up to \$60,000, plus \$1,106.50; and
- 4.58% on taxable income over \$60,000, plus \$1,950.50.

Estates and trusts will pay income tax based on the same graduated rate schedule.

Married individuals filing separate West Virginia returns will pay income tax at the rate of:

- 2.11% on taxable income of up to \$5,000;
- 2.81% on taxable income over \$5,000 and up to \$12,500, plus \$105.50;
- 3.16% on taxable income over \$12,500 and up to \$20,000, plus \$316.25;
- 4.22% on taxable income over \$20,000 and up to \$30,000, plus \$553.25; and
- 4.82% on taxable income over \$30,000, plus \$975.25.

S.B. 392, as passed by the West Virginia Legislature on March 14, 2026 and sent to Gov. Patrick Morrisey on March 18, 2026