

STATEMENT OF PURPOSE

RS33071 / H0519

This proposed legislation is the annual tax conformity 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 2025 tax year. It fully conforms Idaho to the tax changes in the One Big Beautiful Bill, including recapture of past R&E, except for bonus depreciation which Idaho has historically not conformed to. This proposed legislation also ensures that businesses cannot use the same R&E expenses for both a deduction and Idaho tax credits.

FISCAL NOTE

The estimated additional fiscal impact to general revenue for Fiscal Year 2026 is a decrease of \$155 million and for each year thereafter is a decrease of \$155 million.

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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).