

## Income/Franchise:

### Idaho: New Law Implements Additional Corporate and Personal Income Tax Rate Reductions

*H.B. 40*, signed by gov. 3/6/25. Effective immediately and applicable retroactively to January 1, 2025, new law lowers Idaho's corporate income tax rate from 5.695% to 5.3% and similarly lowers Idaho's flat individual income tax rate from 5.695% to 5.3%. These newly enacted Idaho income tax rate reductions follow earlier income tax rate reductions that were enacted in 2024 and 2023 [see H.B. 521 (2024) and *State Tax Matters*, Issue 2024-14; and H.B. 172 (2023) and *State Tax Matters*, Issue 2023-13, for more details on the 2024 and 2023 legislation]. Please contact us with any questions.

**URL:** <https://legislature.idaho.gov/sessioninfo/2025/legislation/H0040/>

**URL:** <https://legislature.idaho.gov/sessioninfo/2024/legislation/H0521/>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240405\\_1.html](https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240405_1.html)

**URL:** <https://legislature.idaho.gov/sessioninfo/2023/legislation/H0172/>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230331\\_1.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230331_1.html)

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