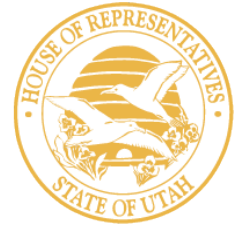




UTAH STATE LEGISLATURE

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Utah's careful, consistent and predictable fiscal policy has been the bedrock of our economic success over the past several decades, and the state remains committed to responsibly and fairly implementing tax policy.

The state's tax treatment of PPP loans is consistent with longstanding practice and hasn't changed since the PPP program was announced last summer.

Utah's approach is to treat all businesses consistently and fairly regardless of whether they received a PPP loan. This consistent treatment is important because only 30 percent of Utah businesses received a PPP loan in the first round of lending, and 71 percent of the total loan value went to less than 1 percent of Utah businesses.

Utah companies' state taxable income didn't change after the federal government changed its policy late in the game to allow double-dipping, but because Utah uses federal taxable income as a starting point, the math to calculate that state taxable income did change.

The policy we have in place ensures that all Utah companies, regardless of whether they received a PPP loan, are taxed on regular business income minus out-of-pocket expenses.

This year, business owners and their employees can look forward to a significant tax cut focusing on middle-class families with children, social security recipients and military retirees.

As federal policy shifts, Utah remains committed to ensure our tax policy remains consistent and fair.