



Idaho

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
11	21	11	9	3	35

Idaho’s individual and corporate income taxes are imposed at a single rate, which was reduced from 5.8 percent to 5.695 percent in 2024. However, the state’s throwback rule is inefficient and taxes “nowhere income” in the state from which sales are made because the seller lacks sufficient nexus to be taxed in the destination state, leading to taxation in the wrong state at the wrong rate—making the corporate income tax more of a disincentive to in-state activity. Idaho also fails to conform to federal provisions to provide first-year expensing of business machinery and equipment purchases. Idaho is also among the minority of states that tax global intangible low-taxed income (GILTI), with a 15 percent inclusion.

Idaho has a generous de minimis exemption for tangible personal property, eliminating compliance costs for many smaller and mid-sized businesses. The state’s income tax has a 30-day withholding threshold but a single-day filing threshold, meaning that an individual who works even one day in the state is expected to file and remit taxes, even though the income would not be withheld by their employer.