Idaho

#13

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
13 ▼ 4	22 ▲ 1	25 ▼ 8	8 –	1 ▲ 2	37 ▼ 1

IN THE 2027 *Index*

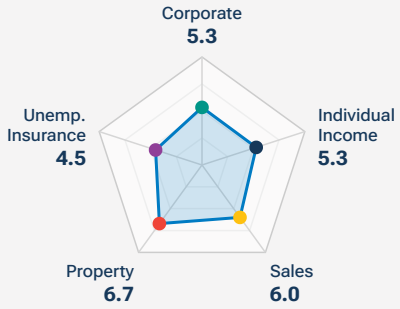
Idaho's ranking fell four places overall (from 9th to 13th), including falling eight places on the individual income tax component, primarily due to the state's decision to conform to the OBBBA's temporary individual deductions for tips and overtime. Conforming to these provisions costs the state a substantial amount of revenue without generating much economic growth.

Idaho's relatively well-structured individual income tax, sales tax, and property tax contribute to the state's high overall ranking. Idaho's individual and corporate income taxes are imposed at a single rate of 5.3 percent, and the state does not impose an estate or inheritance tax or a capital stock tax. Idaho has a generous de minimis exemption for tangible personal property, eliminating compliance costs for many smaller and mid-sized businesses.

However, within the corporate income tax, the state's throwback rule taxes "nowhere income" in the state from which sales are made when the seller lacks sufficient nexus to be taxed in the destination state, leading to taxation in the wrong state at the wrong rate. This makes the corporate income tax more of a disincentive to in-state activity. Idaho also fails to conform to federal provisions that allow permanent full expensing for business machinery and equipment purchases. Additionally, Idaho is among the minority of states that tax a portion of net CFC tested income (NCTI), with Idaho requiring a 15 percent inclusion.

Component scores

out of 10



Idaho and its neighbors

Overall rank, 2027 Index, with change from 2026

Wyoming	#1	–
Montana	#7	▼ 2
Utah	#10	▲ 5
Idaho	**#13**	▼ 4
Nevada	#21	▲ 1
Oregon	#37	▼ 1
Washington	#47	▼ 1