



TWIST-Q 2023 Year-End Checklist of Developments



This checklist includes the developments we reported in Quarters 1, 2, and 3, as well as new developments for Quarter 4, which are in bold typeface. Please note that certain Quarter 4 items in bold are dated earlier as they were released after our Quarter 3 checklist or were first made publicly available during Quarter 4. The checklist captures 2023 rate changes/developments and we also have a comprehensive rate chart at the end of the checklist for your use. Please stay tuned to our weekly TWIST podcasts for other state and local corporate income and franchise developments that occur after this publication is released.

Rate Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Arkansas' highest corporate income tax rate that applies to net income exceeding \$25,000 has been reduced from 5.3 percent to 5.1 percent effective for tax years beginning on or after January 1, 2023. Senate Bill 549 (signed April 10, 2023).	AR				
Arkansas' highest corporate income tax rate that applies to net income exceeding \$11,000 has been reduced to 4.8 percent for tax years beginning on or after January 1, 2024. Senate Bill 8 (signed Sept. 14, 2023).	AR				

Rate Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
The 10 percent surtax that expired at the end of 2022 has been extended through tax years beginning on or after January 1, 2023 and before January 1, 2026. This surcharge applies to companies that have more than \$250 in corporation tax liability and either (1) have at least \$100 million in annual gross income or (2) are taxable members of a combined group that files a combined unitary return, regardless of their annual gross income amount. House Bill 6941 (signed June 12, 2023).	CT				
The Iowa Department of Revenue certified the calculation of a new corporate income tax rate for tax years beginning on or after January 1, 2024. Specifically, the top two Iowa corporate income tax rates applicable to income over \$100,000 and \$250,000 will be reduced from 8.4 percent to 7.1 percent. Order 2023-02 (Iowa Dep't of Rev. Sept. 22, 2023).	IA				
Effective January 1, 2023, Idaho's corporate income tax rate was reduced to 5.8 percent. As originally enacted, the rate reduction was effective January 3, 2023. House Bill 172 (signed March 16, 2023).	ID				
Effective January 1, 2024, the normal corporate income tax rate is reduced from 4.0 percent to 3.5 percent of Kansas taxable income. The surtax that applies to corporate taxable income in excess of \$50,000 is unchanged. K.S.A. 2022 Supp. 74-50,321(d).	KS				
A notice appears to confirm that the normal corporate income tax rate reduction from 4.0 percent to 3.5 percent applies effective for tax years beginning in 2024. Notice 23-10 (Kansas Dep't of Rev. Oct. 24, 2023).	KS				

Rate Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>For taxable years beginning on or after January 1, 2023, and before January 1, 2024, the rate of tax on the first \$100,000 of a corporation's income is 5.58 percent; income in excess of \$100,000 is taxed at 7.25 percent. For taxable years beginning on or after January 1, 2024, and before January 1, 2025, the rate applied to income over \$100,000 is 5.84 percent and the tax on the first \$100,000 is 5.58 percent. For taxable years beginning on or after January 1, 2025 and before January 1, 2026, a flat 5.20 percent rate applies to all taxable income. That flat rate is reduced to 4.55 percent for tax years beginning on or after January 1, 2026 and before January 1, 2027. The flat rate is further reduced to 3.99 percent for tax years beginning on or after January 1, 2027. Legislative Bill 754 (signed May 31, 2023).</p>	NE				
<p>The additional 0.75 percent rate applicable to entire net income if a taxpayer's apportioned business income base exceeds \$5 million has been extended through taxable years beginning before January 1, 2027. S. 4009 (signed May 3, 2023).</p>	NY				
<p>Effective beginning on or after January 1, 2024, the 30 percent Metropolitan Transit Authority surcharge rate will remain in place indefinitely. S. 4009 (signed May 3, 2023).</p>	NY				
<p>The Philadelphia Business Income Receipts Tax (BIRT) rate imposed on net income is reduced from 5.99 percent to 5.81 percent for the 2023 tax year. Philadelphia Code § 19-2604(1).</p>	PA				

Rate Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For tax years ending on or after December 31, 2024, a subtraction equal to the lesser of net earnings or \$50,000 applies to pre-apportioned net earnings as calculated under the excise tax law. This amount cannot create or increase a net operating loss. House Bill 323 (signed May 11, 2023).	TN				
For tax years beginning on or after January 1, 2023, the corporate income tax rate is reduced from 4.85 percent to 4.65 percent. House Bill 54 (signed March 22, 2023).	UT				
IRC Conformity	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For taxable years beginning from and after December 31, 2022, "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended, in effect on January 1, 2023, including those provisions that became effective during 2022 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2023. Senate Bill 1171 (signed March 3, 2023).	AZ				
Effective retroactively to January 1, 2023, Florida adopts the Internal Revenue Code as in effect on January 1, 2023. House Bill 7063 (signed May 25, 2023).	FL				
For tax years beginning on or after January 1, 2022, Georgia adopts the Code as amended through January 1, 2023. Senate Bill 56 (signed May 2, 2023).	GA				

IRC Conformity	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For the sections of the Code that are operative, Hawaii adopts the Internal Revenue Code as of December 31, 2022 for tax years beginning after December 31, 2022. House Bill 1100 (signed June 5, 2023).	HI				
Idaho has adopted the Internal Revenue Code as in effect on January 1, 2023. House Bill 21 (signed Feb. 15, 2023).	ID				
The definition of "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended and in effect on January 1, 2023. Senate Bill 419 (signed May 4, 2023).	IN				
For tax years beginning on or after January 1, 2023, Kentucky adopts the Internal Revenue Code as in effect on December 31, 2022. House Bill 360 (signed March 24, 2023).	KY				
"Code" means the Internal Revenue Code as of December 31, 2022 (previously, December 31, 2021), applicable to tax years beginning on or after January 1, 2022, and to any prior tax year as specifically provided by the Code. House Paper 163 (signed July 11, 2023).	ME				
Minnesota's conformity to the Internal Revenue Code has been updated to generally adopt the Internal Revenue Code as amended through December 15, 2022 for both individual and corporate franchise tax purposes, with certain exceptions. The change is effective upon enactment, but "the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes." House File 31 (signed Jan. 12, 2023).	MN				

IRC Conformity	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
"Internal Revenue Code" means the Internal Revenue Code of 1986 as amended through May 1, 2023. House File 1938 (signed May 24, 2023).	MN				
Internal Revenue Code means the Code as enacted as of January 1, 2023. Senate Bill 174 (signed April 3, 2023).	NC				
Oregon has rolling conformity to the Code for provisions that affect federal taxable income. For other purposes, Oregon adopts the Code as amended and in effect on December 31, 2022. Senate Bill 141 (signed June 7, 2023).	OR				
South Dakota has adopted the Internal Revenue Code as in effect on January 1, 2023. Senate Bill 29 (signed Feb. 2, 2023).	SD				
Virginia's conformity to the Internal Revenue Code has been advanced to the Code as of December 31, 2022, except for the Code sections that the Commonwealth had previously decoupled from. Senate Bill 882 (signed Feb. 27, 2023).	VA				
For tax years beginning on or after January 1, 2023, Virginia conforms to the Internal Revenue Code on a rolling basis. However, subject to certain exceptions, the Commonwealth will not adopt any amendment enacted after January 1, 2023 that increases or decreases General Fund revenues by more than \$15 million in the fiscal year in which the amendment was enacted or the succeeding four fiscal years. House Bill 2193 (signed April 12, 2023).	VA				

IRC Conformity	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For corporate net income tax purposes, all amendments made to the laws of the United States after December 31, 2021, but prior to January 1, 2023, shall be given effect to the same extent those changes are allowed for federal income tax purposes, whether the changes are retroactive or prospective, but no amendment to the laws of the United States made on or after January 1, 2023, shall be given any effect. House Bill 2777 (signed Feb. 14, 2023).	WV				
For taxable years beginning after December 31, 2022, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2022, with a number of exceptions, including key TCJA provisions. Assembly Bill (signed Oct. 25, 2023).	WI				
Nexus and P.L. 86-272	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For privilege periods ending on and after July 31, 2023, a corporation deriving receipts in excess of \$100,000 from in-state sources or that has 200 or more separate transactions delivered to New Jersey customers during the taxable year will be deemed to have substantial nexus with New Jersey. Assembly Bill 5323 (signed July 3, 2023).	NJ				
The Division of Taxation's policy of applying P.L. 86-272 protection on an entity-by-entity basis does not apply to privilege periods ending on and after July 31, 2023. TB-100(R) (N.J. Div. of Tax. Aug. 22, 2023).	NJ				

Nexus and P.L. 86-272	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>New Jersey has adopted aspects of the MTC’s revised statement on P.L. 86-272 as applied to a seller of tangible personal property that has a website or app. Activities that will result in the loss of P.L. 86-272 protection include placing apps or internet cookies on computers and devices in New Jersey to gather market or product research that is packaged and sold to data brokers or other third parties, and providing post-sales assistance through an electronic chat, email, or application that customers access through the company’s website. TB-108 (N.J. Div. of Tax. Sept. 5, 2023).</p>	NJ				
<p>For tax years beginning on or after January 1, 2023, for purposes of the City of Portland Business License Tax, Multnomah County Business Income Tax, and Metro Supportive Housing Services Business Income Tax, P.L. 86-272 will apply on an interstate, rather than intrastate basis. This means that protection will apply only when a business’s activities in Oregon overall do not exceed solicitation of sales (and activities entirely ancillary to solicitation of sales) of tangible personal property. Application of P.L. 86-272 to Business Taxes (City of Portland Rev. Div. April 12, 2023).</p>	OR				

Nexus and P.L. 86-272	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Businesses that earn income from Utah sources, other than from merely soliciting sales of tangible personal property, are required to file a Utah corporation franchise and income tax return. For example, a corporation has Utah nexus if it sells or performs services in Utah in which the customer receives the greater benefit of the service in Utah, or earns income from the use of intangible property in Utah. Corporations that make loans or issue credit cards to Utah customers (e.g., banks) are subject to the Utah corporate franchise or income tax whether or not they have a business location in Utah. Utah Informational Publication, No. 37 (Utah Dep’t of Rev. Oct. 1, 2023).</p>	UT				
Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>As a result of the <i>Anschutz</i> decision invalidating Rule 39-22-103(5.3.), which provided that certain retroactive CARES Act provisions did not affect a taxpayer’s Colorado tax liability, a corporation must amend prior year returns to apply the retroactive CARES Act provisions. In addition, taxpayers may need to amend the 2021 tax year return to adjust the House Bill 21-1002 subtraction that was allowed to corporations for certain retroactive CARES Act changes that were previously disallowed. CARES Act Tax Law Changes & Colorado Impact (Colo. Dep’t of Rev. April 2023).</p>	CO				
<p>Internal Revenue Code section 174, which requires amortization of research and experimental expenses, is treated as it was in effect before the enactment of the TCJA. Senate Bill 56 (signed May 2, 2023).</p>	GA				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Effective for taxable years beginning after December 31, 2021, a taxpayer must: (1) deduct from the taxpayer's adjusted gross income the amount of specified research or experimental expenditures charged to capital account for the taxable year; and (2) add to the taxpayer's adjusted gross income an amount equal to the deduction claimed under Section 174 of the IRC for the taxable year. Senate Bill 419 (signed May 4, 2023).	IN				
A corporate income taxpayer may claim a deduction for any: (1) federal, state, or local grant received by the taxpayer; and (2) any discharged federal, state, or local indebtedness incurred by the taxpayer for purposes of providing or expanding access to broadband service in Indiana. Senate Bill 419 (signed May 4, 2023).	IN				
Minnesota law retroactively incorporates the changes in the Internal Revenue Code as amended through December 15, 2022, subject to certain exceptions. For corporations, those exceptions include, but are not limited to, the increased charitable contributions deduction for C Corporations, and the temporary 100 percent deduction allowed for business meals. While taxpayers may not retroactively deduct business interest expense that could have been deducted under the CARES Act IRC section 163(j) amendments, one-fifth of this amount may be deducted over the five tax years beginning after December 31, 2022. House File 31 (signed Jan. 12, 2023).	MN				
Effective for tax years beginning after December 31, 2022, the amount of the net operating deduction must not exceed 70 percent of taxable net income in a single tax year. House File 1938 (signed May 24, 2023).	MN				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Under prior law, 100 percent of the gross GILTI amount was excluded in computing Minnesota taxable income. Effective for tax years beginning after December 31, 2022, GILTI included in taxable income under IRC section 951A is treated as dividend income eligible for the dividends received deduction. No IRC section 250 deduction is allowed. House File 1938 (signed May 24, 2023).</p>	MN				
<p>Effective for tax years beginning after December 31, 2022, the deduction for dividends received from another corporation is reduced from 80 to 50 percent for dividends received from a 20 percent or more owned corporation. The deduction is further reduced to 40 percent (from 70 percent) for dividends received from a corporation when less than 20 percent of the stock is owned. House File 1938 (signed May 24, 2023).</p>	MN				
<p>For purposes of computing income tax for tax years beginning after December 31, 2022, a taxpayer may immediately deduct research or experimental expenditures paid or incurred by the taxpayer during the tax year in connection with the taxpayer's trade or business, or may depreciate such research or experimental expenditures in accordance with the schedule provided in IRC section 174. Likewise, 100 percent bonus depreciation applies for qualified property or qualified improvement property placed in service during the tax year, notwithstanding any changes to federal law related to cost recovery beginning on January 1, 2023 or some other date, unless the taxpayer elects to depreciate such assets under IRC section 168. The method elected by the taxpayer is irrevocable unless the Commissioner of Revenue specifically allows a change. House Bill 1733 (signed March 27, 2023).</p>	MS				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Effective for tax years beginning on or after January 1, 2024, a deduction will be allowed for any interest expense disallowed under IRC section 163(j). Conversely, an addition will be required to the extent an IRC 163(j) carryforward generated in a tax year on or after January 1, 2024 is used in computing taxable income. Any carryforward of disallowed business interest under IRC section 163(j) as of the tax year ending before January 1, 2024 can be deducted in three equal parts over three consecutive years, beginning with the first tax year commencing on or after January 1, 2024. Senate Bill 189 (signed July 28, 2023).</p>	NH				
<p>For privilege periods ending on and after July 31, 2022, the entire net income (or loss) of any corporation that is incorporated or formed in a foreign country that has a comprehensive tax treaty with the U.S. and is not a member of a New Jersey worldwide group does not include any income exempted from federal taxable income under the terms of the treaty. Deductions, exclusions, or eliminations are not permitted for any excluded income (loss) and the receipts attributable to such excluded items are also excluded from the allocation factor. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>For privilege periods beginning on and after January 1, 2022, a deduction for R&E expenditures is allowed during the same privilege period for which a research activities credit is claimed under N.J.S.A. 54:10A-5.24. This deduction is allowed notwithstanding the timing schedule required under IRC section 174 for the deduction of specified R&E expenditures. The New Jersey Division of Taxation has confirmed that non-New Jersey research expenditures are deductible in the same manner and with the same timing as they are for federal purposes (i.e., amortized over a 5 or 15 year period.) Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				
<p>For privilege periods ending on or after July 31, 2023, the statutory requirement to add back intangible expenses and interest paid or accrued to a related member has been repealed. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				
<p>For privilege periods ending on or after July 31, 2023, entire net income excludes 100 percent (previously 95 percent) of dividends or deemed dividends from 80 percent or more owned subsidiaries. The dividends-received exclusion is taken after the modifications are made that increase entire net income but before the modifications that reduce entire net income (e.g., NOLs) and before entire net income is apportioned to New Jersey. The dividends-received exclusion is reduced by expenses and deductions attributed to dividends or deemed dividends, which must equal 5 percent of all dividends and deemed dividends received. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Amounts included in income under IRC section 951A will be treated as a dividend for privilege periods ending on and after July 31, 2023. The IRC section 250 deductions are not allowed. Assembly Bill 5323 (signed July 3, 2023).	NJ				
For privilege periods ending on and after July 31, 2023, the IRC section 172(a) 80 percent limitation on the use of NOLs applies to NOLs arising in taxable years beginning after July 31, 2023. Assembly Bill 5323 (signed July 3, 2023).	NJ				
For privilege periods ending on and after July 31, 2023, the balance of prior net operating loss conversion carryover deductions of the members of the combined group will be pooled together and allowed to offset the entire net income apportioned to New Jersey of either: the combined group for which the corporation is a member; or the corporation that created the prior net operating loss conversion carryover, provided that the corporation has departed the combined group before the corporation's respective prior net operating loss conversion carryover was completely used. Assembly Bill 5323 (signed July 3, 2023).	NJ				
The amount of the net deferred tax liability deduction that can be taken each year is revised. For periods beginning on or after January 1, 2023, the allowable deductible amount is limited to 1 percent of the total deduction for the first seven group privilege periods. For periods beginning on or after January 1, 2030, the deduction is limited to 5 percent of any remaining net deferred tax liability deduction per period until the deduction is fully used. The 1 percent and 5 percent amounts are calculated once at the beginning of each deduction period. Assembly Bill 5323 (signed July 3, 2023).	NJ				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Oklahoma allows taxpayers to make an irrevocable election for immediate and full expensing of qualified property and qualified improvement property. For income tax returns filed on or after January 1, 2023, federal taxable income must be increased by the amount of depreciation received under the Internal Revenue Code for qualified property or qualified improvement property for which the election has been made to immediately and fully expense the asset on the Oklahoma income tax return for the year in which the property was placed in service. Senate Bill 602 (signed May 25, 2023).</p>	OK				
<p>While Tennessee has decoupled from IRC section 250 for purposes of GILTI, it has not decoupled for purposes of the FDII deduction. Therefore, in computing “net earnings” under Tenn. Code Ann. § 67-4-2006, a taxpayer is entitled to the full amount of the IRC section 250(a) deduction to which it is entitled under federal law as it relates to FDII. Franchise Excise Tax Manual (Tenn. Dep’t of Rev. Jan. 26, 2023).</p>	TN				
<p>For assets purchased on or after January 1, 2023, Tennessee adopts IRC section 168 as it exists and applies under the Tax Cuts and Jobs Act. As such, taxpayers may take bonus depreciation deductions for assets purchased on or after January 1, 2023 in the year of the purchase if the taxpayer takes bonus depreciation on the asset for federal tax purposes. For assets purchased on or before December 31, 2022, bonus depreciation deductions are disallowed. House Bill 323 (signed May 11, 2023).</p>	TN				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>The Texas Comptroller has updated a memo providing guidance on costs that may be included as benefits for the compensation subtraction. For the cost of an item to be included in benefits for the compensation subtraction, an item must: (1) be similar to the items listed in Tex. Tax Code Section 171.1013(b)(2) in that the item provides value to the employee in his or her personal capacity; (2) be deductible for federal income tax purposes; (3) not already included in wages and cash compensation; and (3) meet all the other requirements of Rule 3.589(e). The memo includes examples of items that may be included as benefits. STAR No. 202310005L (Oct. 13, 2023).</p>	TX				
<p>For tax years beginning on or after January 1, 2023, net losses from tax years beginning on or after January 1, 2008 may be carried forward indefinitely. For a Utah net loss carried forward to a taxable year beginning on or after January 1, 2023, the amount of Utah net loss that a taxpayer may carry forward to a taxable year may not exceed 80 percent. Senate Bill 203 (signed March 23, 2023).</p>	UT				
<p>For tax years beginning on and after January 1, 2024, the deduction for business interest expense disallowed under IRC section 163(j) is increased from 30 percent to 50 percent. House Bill 6001 (signed Sept. 14, 2023).</p>	VA				

Tax Base	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>If the application of certain apportionment law changes collectively results in an aggregate increase in a publicly traded taxpayer's net deferred tax liability or an aggregate decrease in the taxpayer's net deferred tax asset, or an aggregate change from a net deferred tax asset to a net deferred tax liability, a taxpayer is entitled to a subtraction. The subtraction will be taken over a 10-year period beginning with the taxpayer's tax year that begins on or after January 1, 2033, and will be equal to one tenth of the amount necessary to offset the increase in the net deferred tax liability or decrease in the net deferred tax asset. House Bill 3286 (signed March 29, 2023).</p>	WV				
<p>Wisconsin does not conform to the TCJA changes to IRC section 174 that apply for tax years beginning on or after January 1, 2022. Taxpayers with R&E expenses have the following options: (1) Elect to deduct the expenses in the year paid or incurred; (2) Elect to defer the expenses and deduct ratably over at least 60 months; or (3) Elect to treat the expenses as capital expenditures amortizable over a useful life, if determinable. WTB 220 (Wisc. Dep't of Rev. January 2023).</p>	WI				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Effective for tax years beginning on or after January 1, 2024, sales to the U.S. Government will be sourced to the destination state. House Bill 1045 (signed April 10, 2023).	AR				
For tax years beginning on or after January 1, 2024 and before January 1, 2025 (the 2024 tax year), 85.71 percent of "throwback sales" will be sourced to Arkansas, and 14.29 percent will be sourced outside Arkansas. Those percentages change in subsequent years as follows: for the 2025 tax year, 71.42 percent in Arkansas and 28.58 percent outside Arkansas; for the 2026 tax year, 57.13 percent in Arkansas and 42.87 percent outside Arkansas; for the 2027 tax year, 42.84 percent in Arkansas and 57.16 percent outside Arkansas; for the 2028 tax year, 28.55 percent in Arkansas and 71.45 percent outside Arkansas; for the 2029 tax year, 14.26 percent in Arkansas and 85.74 percent outside Arkansas; and for tax years beginning on or after January 1, 2030, throwback sales will be sourced 100 percent outside Arkansas. House Bill 1045 (signed April 10, 2023).	AR				
Effective for tax years beginning on or after January 1, 2023, an organization operating a railroad partly within and partly without Arkansas may apportion income by multiplying the organization's income by a sales factor apportionment formula, or a three-factor, double-weighted sales apportionment formula. Senate Bill 482 (signed April 11, 2023).	AR				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Property, payroll and sales related to deductible cooperative member income are not excluded from the apportionment formula. Cooperative member income “deducted” under R&TC section 24404 should not be equated with income that has been “exempted,” “excluded,” or “not recognized,” as such items generally do not enter into gross income to begin with and are not included in net income. <i>Appeal of Southern Minnesota Beet Sugar Cooperative</i> (Cal. OTA, March 17, 2023).</p>	CA				
<p>The look-through sourcing approach for receipts of mutual fund service providers in CCR 25137-14 did not conflict with the statutory market-based sourcing rules. The FTB has authority to promulgate alternative apportionment regulations and once a special apportionment formula is promulgated under R&TC section 25137, it becomes the standard method, and taxpayers and the FTB are bound to follow it unless a party seeking to deviate from the alternative method establishes by clear and convincing evidence that the regulation does not fairly represent the extent of the taxpayer’s activities in California and the party’s proposed alternative is reasonable. <i>Appeal of Janus Capital Group, Inc. and Subs.</i> (Cal. OTA, July 27, 2023).</p>	CA				
<p>A voter approved proposition that mandated single-sales factor apportionment and market-based sourcing for general corporations did not violate the state constitution’s single-subject rule. As such, a taxpayer was not entitled to a refund of corporate income tax on the basis that it should have been permitted to file using a three-factor double weighted sales apportionment and costs of performance sourcing. <i>One Technologies, LLC v. Franchise Tax Board</i> (Cal. Ct. App. Oct. 23, 2023).</p>	CA				

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<p>Proceeds from real estate sales were not included in the Colorado receipts factor because the taxpayer was regularly engaged in the rental of real estate and had rarely sold properties. As such, the receipts from the sales were not in the regular course of the taxpayer's trade or business and were excluded from the Colorado receipts factor. However, because the two properties sold were related to the operation of the taxpayer's trade or business, the income arising from the sale of the two properties was apportionable income. PLR 23-002 (Colo. Dep't of Rev. March 13, 2023).</p>	CO				
<p>Service receipts are sourced to Florida if the income-producing activity giving rise to the receipts is performed wholly within Florida or if a greater proportion of the income-producing activity is performed in Florida, based on the costs of performance. Under the plain language of this rule, receipts are sourced using a costs of performance method that focuses on the transactions and activities of the taxpayer and not of the taxpayer's customer. <i>Billmatrix Corp., et. al. v. Florida Dep't of Rev.</i> (Fla. Cir. Ct. March 1, 2023).</p>	FL				
<p>For tax years beginning on or after January 1, 2024, the rule that excludes from the numerator and denominator of the sales factor (1) receipts assigned to a state where the taxpayer is not taxable, or (2) receipts where the state of assignment cannot be determined or reasonably approximated, is repealed. Also repealed is the requirement that sales of intangible property not otherwise described in the statute are excluded from the numerator and the denominator of the sales factor. House Bill 631 (signed June 27, 2023).</p>	LA				

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<p>A pharmacy benefit management company taxpayer’s service receipts were sourced based on the location where its clients’ members’ prescription drugs were received at retail pharmacies. The taxpayer had argued that its service receipts should be sourced to the commercial and administrative headquarters of its clients. <i>Express Scripts Inc. et al. v. State Tax Assessor (Me. Nov. 7, 2023).</i></p>	ME				
<p>Corporations that develop and sell access to software that allows customers to input their own information, manipulate the software, and run reports without interaction with the software provider or its employees, are engaged in the manufacture and sale of tangible personal property. As manufacturing corporations, these entities are required to use single sales factor apportionment for corporate excise tax purposes. TIR 23-18 (Mass. Dep’t of Rev. July 12, 2023).</p>	MA				
<p>Effective January 1, 2025, all general corporations and financial institutions will apportion net income to the Commonwealth by use of the sales or receipts factor only. H. 4101 (signed Oct. 4, 2023).</p>	MA				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Effective January 1, 2025, a new provision addresses how financial institutions source interest, dividends, net gains and other income from investment assets and activities and from trading assets and activities. The amount of such receipts included in the Massachusetts numerator will be determined by multiplying all income from such assets and activities by a fraction. The numerator of the fraction is the total receipts included in the numerator pursuant to Mass. G.L. c. 63 § 2A(d)(i) through (x), which are the statutory sourcing rules for various types of income of a financial institution, and paragraph (xii). The denominator of the fraction is all total receipts of the taxpayer included in the denominator other than interest, dividends, net gains, but not less than zero, and other income from investment assets and activities and trading assets and activities. H. 4101 (signed Oct. 4, 2023).</p>	MA				
<p>While an asset sale generated business income included in the Michigan Business Tax base, the asset sale was not included in either the numerator or denominator of the sales factor under the definition of "sales." Further, the taxpayer was not entitled to use an alternative apportionment formula because it had not established that the application of the statutory formula (excluding the sale from the sales factor) was distortive. There was no obligation to consider historical tax information when determining liability in the current year. <i>Vectren Infrastructure Services Corp v. Dep't of Treasury</i> (Mich. July 31, 2023); U.S., No. 23-443. review denied Nov. 20, 2023.</p>	MI				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Effective for tax years beginning after December 31, 2024, apportionable income will be apportioned to Montana by use of a single receipts factor apportionment formula. Senate Bill 124 (signed March 13, 2023).	MT				
Effective for privilege periods ending on or after July 31, 2023, all combined groups are required to use the <i>Finnigan</i> method for sourcing receipts to New Jersey. Assembly Bill 5323 (signed July 3, 2023).	NJ				
In lieu of applying the statutory customer-based sourcing rules for broker-dealers, the Division was required to exercise its discretionary authority to correct a distortive apportionment result, and therefore the taxpayer's receipts should be sourced based upon a reasonable approximation of the locations of the underlying investors of the institutional intermediaries that were the taxpayer's customers. Using New York's share of the U.S. Census, i.e., 6.48 percent, was reasonable. In addition, the Division's calculation of the receipts allocation factor (at 22.44% and 20.65% for the tax years at issue) was grossly overstated by a factor of three or four times, which resulted in an unconstitutional distortion of the taxpayer's income. <i>Jefferies Group LLC & Subs.</i> (N.Y. Div. Tax. App. Aug. 31, 2023.)	NY				
Receipts from a taxpayer's provision of contract manufacturing services provided to a related entity were sourced using the rules for sales of tangible personal property. As such, the service fees should be sourced to North Carolina if the finished product was ultimately delivered by the related entity to a customer located in North Carolina, regardless of F.O.B. terms. Corporate Private Letter Ruling 2023-02 (N.C. Dep't of Rev. June 20, 2023).	NC				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Receipts from hedging activities were not receipts from the taxpayer's primary business, which was developing and producing crude oil and natural gas and refining and marketing those products for sale. Because the hedging program receipts did not derive from the taxpayer's primary business activity, they were excluded from its sales factor. <i>Chevron, U.S.A., Inc. v. Oregon Dep't of Rev.</i> (Ore. Tax Ct. May 17, 2023).	OR				
Effective for tax years beginning on or after January 1, 2023, market-based sourcing rules apply for purposes of the Portland City Business License Tax, Multnomah County Business Income Tax, and Metro Business Income Tax. Portland City Code Chapter 7.02; Multnomah County Code Chapter 12; Metro Code Chapter 7.07.	OR				
Receipts from sales of services were sourced to where the service was fulfilled and the income finally produced, which was at the customer's location. Such treatment was in conformity with previous judicial decisions interpreting the sourcing rules for sales of tangible personal property. <i>Synthes USA HQ, Inc. v. Commonwealth of Pennsylvania</i> (Pa. Feb. 22, 2023).	PA				
For all open periods, electricity will be treated as tangible personal property for apportionment purposes. As such, receipts relating to the provision of electricity will be sourced to Pennsylvania if the electricity is delivered or shipped to a purchaser within Pennsylvania, regardless of the f.o.b. point or other conditions of the sale. Corporation Tax Bulletin No. 2023-01 (Pa. Dep't of Rev. May 1, 2023).	PA				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
Effective for tax years beginning after December 31, 2022, customer-based sourcing rules apply to certain types of receipts that were previously sourced using the income-producing activity test. Pa. Stat. Ann. § 7401.	PA				
For tax years ending on or after December 31, 2023, but before December 31, 2024, the receipts factor is weighted five times. The weighting for the receipts factor increases to eleven for tax years ending on or after December 31, 2024, but before December 31, 2025. For tax years ending on or after December 31, 2025, the state is fully transitioned to a single receipts factor formula. House Bill 323 (signed May 11, 2023).	TN				
Effective for tax years beginning on or after January 1, 2023, single-sales factor apportionment is effective, and the throwback rule that applies to sales of tangible personal property is repealed. Vt. Stat. Ann. § 5833(a).	VT				
For tax years beginning on or after January 1, 2023, the <i>Joyce</i> apportionment method is replaced with the <i>Finnigan</i> method. Vt. Stat. Ann. § 5862(d).	VT				
For taxable years beginning on or after January 1, 2023, affiliated corporations filing on a consolidated basis may elect to apportion the taxable income of all members of such affiliated group using the sales factor alone. The election is valid only for tax years in which 80 percent or more of the sales of such affiliated group after consolidation and eliminations is derived from activities of a retail company. Such an election, once made, shall not be changed without permission of the Department. House Bill 1978/Senate Bill 1346 (signed March 17, 2023).	VA				

Apportionment Changes and Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
A taxpayer was permitted to elect the single sales factor apportionment method allowed to manufacturers meeting certain criteria on an amended return. The Department of Taxation had argued that the election was permitted on an original return only. <i>Dep't of Taxation v. 1887 Holdings Inc.</i> (Va. App. May 23, 2023).	VA				
Filing Methods	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
A taxpayer and its subsidiary were not engaged in a unitary business and therefore the subsidiary was not included in the taxpayer's unitary business group for the tax year at issue. Notably, intercompany sales were less than 2 percent of the taxpayer's revenues and the "flow of value" and "contribution/dependency" tests were not met. <i>TTI Inc. v. Michigan Dep't of Treasury</i> (Mich. Tax Trib. Oct. 17, 2023).	MI				
For tax years beginning after December 31, 2022, combined groups that make a water's-edge election will no longer include unitary affiliates incorporated in certain specifically enumerated jurisdictions considered to be tax havens. Senate Bill 246 (signed May 22, 2023).	MT				

Filing Methods	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>For privilege periods ending on and after July 31, 2023, "unitary business" means a single economic enterprise that is made up either of separate parts of a single business entity or of a group of business entities under common ownership that are sufficiently interdependent, integrated, <u>or</u> interrelated through their activities so as to provide a synergy and mutual benefit that produces a sharing or exchange of value among them and a significant flow of value among the separate parts. Prior to that time, the underlined "or" was an "and." Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				
<p>Effective for privilege periods ending on or after July 31, 2023, the water's-edge group includes a group member, wherever formed or incorporated, that is not otherwise included in the water's-edge combined group, if that member had effectively connected income, but only to the extent of its effectively connected income. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				
<p>Effective for privilege periods ending on and after July 31, 2023, new definitions apply to "captive real estate investment trusts," "captive regulated investment companies," and "captive investment companies." Entities meeting these new definitions are taxed in the same manner as any other C Corporation and are required to be included as a member of a combined group filing a combined return. An exception applies to such entities of which at least 50 percent of the shares, by vote or value, are owned or controlled, directly or indirectly, by a state or federally chartered bank, savings bank, or savings and loan association with assets that do not exceed \$15 billion. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				

Filing Methods	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>The Division of Taxation will prospectively allow a change to the combined group’s previously selected filing method on the 2023 Form CBT-100U. Taxpayers will be bound by the election made on their 2023 return for 2023 and the following five tax years. TB-109 (N.J. Div. of Tax. Sept. 5, 2023).</p>	NJ				
<p>A taxpayer was required to file a unitary combined return with two subsidiaries following a dispute involving the parties’ transfer pricing. Because none of the experts involved in the litigation had produced a corrected transfer price, the court concluded that it was constrained by the evidence before it. Without a corrected transfer price, the application of separate entity reporting resulted in a taxable base that did not fairly reflect a taxpayer’s business activity in South Carolina. <i>Tractor Supply Co. v. S.C. Dep’t of Revenue</i> (S.C. Admin. Law Ct. Aug. 8, 2023).</p>	SC				
<p>For applications filed on or after July 1, 2023, the requirements for an affiliated group to change its filing status have changed. Specifically, an affiliated group may elect to change its corporate income tax filing status even if its tax liability for the previous tax year would be decreased by such a change in filing status. However, the other requirements to make a change remain. The affiliated group must have filed on the same basis for the preceding 12 years and must agree to compute its tax liability under both the requested filing basis and the currently elected filing basis and will be liable for the greater of the two amounts for the taxable year in which the requested method is effective and the immediately succeeding taxable year. House Bill 1405/ Senate Bill 796 (signed March 26, 2023).</p>	VA				

Filing Methods	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>Overseas business organizations that ordinarily have 80 percent or more of their property and payroll outside the U.S. are excluded from the definition of an “affiliated group.” The term “overseas business organizations” is replaced with “foreign corporations,” meaning that U.S. organized corporations with significant foreign activity will be included in the Vermont affiliated group for tax years beginning on or after January 1, 2023. Vt. Stat. Ann. § 5811.</p>	VT				
Administrative Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>A taxpayer was allowed to introduce evidence of timely mailing a return when the envelope was missing and was most likely last possessed by the state. The taxpayer’s evidence “was reasonable and credible in the context of the highly unusual circumstances surrounding business and governmental operations during the height of the COVID-19 pandemic.” <i>Mitutoyo America Corp. v. Illinois Dep’t of Rev.</i> (Ill. Tax Trib. Jan. 2023).</p>	IL				
<p>Applicable to taxable years beginning on or after January 1, 2023, when a corporation or financial institution is granted an extension of time to file its federal income tax return, Maine automatically grants an extension for an equivalent period, plus 30 days (previously, the state extension was the same as the federal extension). House Bill 1153 (signed July 26, 2023).</p>	ME				

Administrative Developments	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>For privilege periods ending on and after July 31, 2023, but before January 1, 2024, no penalties or interest will accrue for the underpayment of tax due to any provision in Assembly Bill 5323 that creates additional tax liability. The additional estimated tax payments must be made no later than the second next estimated payment due following the enactment of the bill, or the second estimated payment due after January 1, 2024, whichever due date is later. Assembly Bill 5323 (signed July 3, 2023).</p>	NJ				
<p>The lookback period for corporate taxpayers participating in the state’s Voluntary Disclosure Agreement (VDA) program has been revised and is now three years plus the current year. Under the prior eligibility requirements, the lookback period was five years plus the current year. This change will apply to corporate tax VDAs entered into on August 1, 2023 or later. Tax Update (Pa. Dep’t of Rev.).</p>	PA				
<p>Effective for reports originally due on and after January 1, 2024, (1) the franchise (margin) tax exemption is increased to \$2.47 million, and (2) businesses that fall under this exemption will no longer need to file a No Tax Due Report with the Comptroller. Certain entities, including passive entities, and REITs, will continue to have a requirement to file the No Tax Due Report. Further, there are no changes around the requirements to file a Public Information Report under Texas Tax Code §171.203, or the Ownership Information Report under Texas Tax Code §171.202. Senate Bill 3 (signed July 22, 2023).</p>	TX				

Credits	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
<p>For income years starting on or after July 1, 2025, corporations may earn fixed capital investment tax credits for investments made by certain LLCs they own if they are (1) headquartered in Connecticut; (2) own, directly or indirectly, at least 80 percent of an LLC that, for federal tax purposes, is treated as a partnership or disregarded as an entity separate from its owner (i.e., a disregarded entity); and (3) provide telecommunications services. House Bill 6941 (signed June 12, 2023).</p>	CT				
<p>Under Louisiana law, qualifying insurers are entitled an investment tax credit against the amount of Premium Tax owed. In addition, every insurance company is entitled to offset its Louisiana corporate income tax by the amount of Premium Tax paid. The Premium Tax offset, which is based on premiums paid by an insurance company during the preceding twelve months, does not include the Investment Tax Credit. <i>Louisiana Health Service & Indemnity Co. v. Robinson</i> (La. Ct. App. June 2, 2023).</p>	LA				
<p>Once the statute of limitations for a tax year closes, a taxpayer may not create an R&D credit by amending a closed year report to reflect previously unreported eligible expenses so that the credit can be carried forward and applied in an open tax year. Policy Letter Ruling No. 202301007L (Tex. Comp. Jan. 19, 2023).</p>	TX				

Franchise Tax	State	Potential impact on current tax?	Potential impact on deferred taxes?	Potential impact on ASC 740-10?	Other/ Comments
For franchise taxes payable by domestic corporations on or after January 1, 2024, the first \$5,000 of liability is exempt from the tax imposed. House Bill 3817 (signed June 7, 2023).	IL				
The business capital tax, which was scheduled to be phased out at the end of 2023, will continue to be imposed at a 0.1875 percent rate for tax years beginning prior to January 1, 2027. S. 4009 (signed May 3, 2023).	NY				
Effective for tax years beginning on or after January 1, 2025 and applicable to the calculation of franchise tax on the 2024 return, the franchise tax rate on the first \$1 million of tax base is a flat \$500. If a corporation's tax base exceeds \$1 million, the tax rate is \$1.50 per \$1,000 exceeding \$1 million. House Bill 259 (enacted Oct. 3, 2023).	NC				
The franchise tax, which is assessed upon every corporation, association, joint-stock company, and business trust, doing business in this state, at a rate of 1.25 for each \$1,000 of capital used, invested, or employed within Oklahoma, is eliminated beginning with the 2024 tax year. House Bill 1039 (enacted June 2, 2023).	OK				
Tennessee's franchise tax is based on the greater of the taxpayer's net worth or the book value of real or tangible personal property owned or used in Tennessee (the minimum measure). For tax years ending on or after December 31, 2024, only the actual value of the taxpayer's aggregate real or tangible property in excess of \$500,000 will be used to compute the minimum measure. House Bill 323 (signed May 11, 2023).	TN				

2022-2024 State Corporate Income Tax Rate Chart^[a]

State		2022	2023	2024
Alabama		6.50%	6.50%	6.50%
Alaska		9.40%	9.40%	9.40%
Arizona		4.90%	4.90%	4.90%
Arkansas		5.90%	5.10%	4.80%
California		8.84%	8.84%	8.84%
Colorado		4.40%	4.40%	4.40%
Connecticut	[b]	8.25%	8.25%	8.25%
Delaware		8.70%	8.70%	8.70%
District of Columbia		8.25%	8.25%	8.25%
Florida		5.50%	5.50%	5.50%
Georgia		5.75%	5.75%	5.75%
Hawaii		6.40%	6.40%	6.40%
Idaho		6.00%	5.80%	5.80%
Illinois	[c]	9.50%	9.50%	9.50%
Indiana		4.90%	4.90%	4.90%
Iowa		9.80%	8.40%	7.10%
Kansas	[d]	7.00%	7.00%	6.50%
Kentucky		5.00%	5.00%	5.00%
Louisiana		7.50%	7.50%	7.50%
Maine		8.93%	8.93%	8.93%
Maryland		8.25%	8.25%	8.25%
Massachusetts		8.00%	8.00%	8.00%
Michigan		6.00%	6.00%	6.00%
Minnesota		9.80%	9.80%	9.80%
Mississippi		5.00%	5.00%	5.00%
Missouri		4.00%	4.00%	4.00%
Montana	[a]	Separate: 6.75% Combined: 7.00%	Separate: 6.75% Combined: 7.00%	Separate: 6.75% Combined: 7.00%
Nebraska		7.50%	7.25%	5.84%
Nevada				
New Hampshire	[e]	7.60%	7.50%	7.50%
New Jersey	[f]	11.50%	11.50%	9.00%
New Mexico		5.90%	5.90%	5.90%
New York	[g]	7.25%	7.25%	7.25%

State		2022	2023	2024
North Carolina		2.50%	2.50%	2.50%
North Dakota	[a]	Separate: 4.31 % Combined: 7.81 %	Separate: 4.31 % Combined: 7.81 %	Separate: 4.31 % Combined: 7.81 %
Ohio				
Oklahoma		4.00%	4.00%	4.00%
Oregon	[h]	7.60%	7.60%	7.60%
Pennsylvania	[i]	9.99%	8.99%	8.49%
Rhode Island		7.00%	7.00%	7.00%
South Carolina		5.00%	5.00%	5.00%
South Dakota				
Tennessee		6.50%	6.50%	6.50%
Texas		0.75%	0.75%	0.75%
Utah		4.85%	4.65%	4.65%
Vermont		8.50%	8.50%	8.50%
Virginia		6.00%	6.00%	6.00%
Washington				
West Virginia		6.50%	6.50%	6.50%
Wisconsin		7.90%	7.90%	7.90%
Wyoming				

Notes/Assumptions

- a. This chart uses the rates that apply for regular C corporations as of the date of publication of this document. Any subsequent changes will not be reflected in this chart. In states that have graduated tax rates, the highest rate is provided within the chart above. Different rates may apply to entities in particular industries. For example, qualified high technology or manufacturing companies may have a reduced rate. In addition, banks and financial institutions may be taxed at a different rate (e.g., a special rate of 10.84% in California) or in a different manner (e.g., a franchise tax is imposed on financial institutions in Indiana and Michigan in lieu of the corporate income tax).

NOTE: This chart is generally meant to apply for a standalone company. In some states, a different tax rate may apply for combined or consolidated filers. For example:

- In Montana, the tax rate for water’s edge combined filers is 7 percent. Mont. Code Ann. § 15-31- 121(2).
 - In North Dakota, the tax rate for water’s edge combined filers is the applicable rate plus an additional 3.5 percent. N.D. Cent. Code § 57-38.4-02(3).
- b. The listed tax rate for Connecticut includes a surcharge of 10 percent that is extended through tax years beginning before January 1, 2026. The surcharge does not apply to taxpayers that pay the \$250 minimum tax or that have less than \$100 million in gross income for the tax year. However, taxpayers filing a unitary combined return are subject to the surcharge regardless of income level. Conn. Gen. Stat. § 12- 214(b)(6)(A), (b)(7)(A), (b)(8)(A).
- c. The tax rate for Illinois includes the 2.5 personal property replacement income tax rate. ILCS Chapter 35 § 5/201(d).

- d. The tax rate for Kansas includes the 3 percent surtax, which is imposed on taxable income over \$50,000. Kan. Stat. Ann. § 79-32,110(c)(2).
- e. The tax rate for New Hampshire does not include the Business Enterprise Tax. N.H. Rev. Stat. Ann. § 77-E:2.
- f. For privilege periods beginning on or after January 1, 2018 through December 31, 2023, corporations, except for public utilities, with allocated income of \$1 million or more were subject to a 2.5 percent surtax imposed on allocated net income and is in addition to the corporation business tax, which is imposed at a rate of 9 percent. N.J. Rev. Stat. § 54:10A-5.41.
- g. For tax years beginning on or after January 1, 2021 and before January 1, 2027, taxpayers with an entire net income base of over \$5 million are subject to a 7.25 percent rate in New York. All income is subject to the 7.25 percent tax rate if the \$5 million income base is exceeded. Taxpayers with an income base of \$5 million or less continue to apply a tax rate of 6.5 percent.

NOTE: The listed tax rate for New York does not include the MTA surcharge, which is 30 percent.

- h. A 6.60 percent tax rate applies to the first \$1 million of Oregon taxable income. Or. Rev. Stat. § 317.061.
- i. Effective beginning in tax year 2023, Pennsylvania's corporate net income tax rate is reduced from 9.99 percent to 8.99 percent, with further reductions of an additional 0.5 percent each year until the tax rate reaches 4.99 percent for tax year 2031 onward. Pa. Stat. Ann. § 7402(b).

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