

Income/Franchise:

California: Updated FTB Guidance Addresses Credit Assignments Among Combined Group Members

Credit Assignments, Cal. Fran. Tax Bd. (rev. 2/8/24). Updated guidance issued by the California Franchise Tax Board addresses how corporations filing a California combined income/franchise tax report may be able to assign credits to other members of its California reporting group in certain situations. Covered topics include how to assign an eligible credit, how to claim an assigned credit, defective credit assignments, and assignments related to corporate reorganizations and restructuring. Regarding the last topic, the guidance explains that effective January 1, 2022, California adopted a new regulation addressing the assignment of credits following corporate reorganizations and other corporate restructurings – specifically California Code of Regulations (CCR) section 23633-6. Please contact us with any questions.

URL: <https://www.ftb.ca.gov/file/business/credits/credit-assignments.html>

— Valerie Dickerson (Washington, DC)
Partner
Deloitte Tax LLP
vdickerson@deloitte.com

Kathy Freeman (Sacramento)
Managing Director
Deloitte Tax LLP
katfreeman@deloitte.com

Shirley Wei (Los Angeles)
Senior Manager
Deloitte Tax LLP
shiwei@deloitte.com

Christopher Campbell (Los Angeles)
Principal
Deloitte Tax LLP
cwcampbell@deloitte.com

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