

Income/Franchise:

Kentucky: New Law Updates State Conformity to IRC and Delays Combined Reporting Deferred Tax Liability Deduction

H.B. 8, enacted without governor's signature on 4/10/24. New law incorporates some tax-related provisions, including generally updating Kentucky statutory corporate and personal income tax references to the Internal Revenue Code (IRC) for tax years beginning on or after January 1, 2024, to the IRC as in effect on December 31, 2023 – exclusive of any amendments made subsequent to this date, other than amendments that extend provisions in effect on December 31, 2023 that would otherwise terminate. Regarding Kentucky's deferred tax liability deduction applicable to some publicly traded corporations – which was enacted in 2019 to offset the effects of mandatory unitary combined reporting tax changes for financial statement reporting purposes – the legislation delays the deduction's start date to a ten-year period beginning January 1, 2026, rather than a ten-year period beginning January 1, 2024. Note that Kentucky Governor Andy Beshear line-item vetoed certain other tax provisions in this bill, including those that would have enacted a tax amnesty program. Please contact us with any questions.

URL: <https://apps.legislature.ky.gov/record/24rs/hb8.html>

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