

Income/Franchise:

Connecticut: CORRECTION from Last Week's *State Tax Matters*, Issue 2024-21: Pending Bill Would Extend NOL Carryforward Period and Create Deduction for Shift to Combined Reporting

H.B. 5524, passed House and Senate 5/22/24. A pending bill, if enacted into law, would extend the state corporation business tax net operating loss (NOL) carryforward period from 20 to 30 income years, applicable for NOLs incurred in income years starting on or after January 1, 2025. If enacted into law, the pending legislation also would, effective January 1, 2025, permit certain combined groups meeting specified qualifications to deduct, over a 30-year period, the amount necessary to offset the increase in the valuation allowance against NOLs and tax credits in Connecticut that resulted from Connecticut's shift to combined reporting, which was first implemented in Connecticut in the 2016 income year.

URL: https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2024&bill_num=5524

Last week's "State Tax Matters, Issue 2024-21" prematurely reported that Connecticut House Bill 5524 was signed into law; however, Connecticut House Bill 5524 remains pending as of early this week. Please contact us with any questions.

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