

Income/Franchise:

Illinois: New Law Limits NOL Deduction to \$500K, Revises Financial Institution Apportionment, and Increases Franchise Tax Credit

H.B. 4951, signed by gov. 6/7/24. Recently enacted omnibus tax legislation in Illinois contains several law changes, many of which are effective immediately, including:

URL:
<https://www.ilga.gov/legislation/BillStatus.asp?DocNum=4951&GAID=17&DocTypeID=HB&LegId=152864&SessionID=112&GA=103>

- For any taxable year ending on or after December 31, 2024 and prior to December 31, 2027, no Illinois corporate income tax net operating loss (NOL) carryover deduction shall exceed \$500,000;
- For taxable years ending on or after December 31, 2024, the Illinois apportionment factor calculation for financial institutions is modified by revising how receipts from trading assets and activities are treated;
- For taxable years beginning on or after January 1, 2025, the Illinois franchise tax credit is increased from \$5,000 to \$10,000.

See forthcoming Multistate Tax Alert for more details on these and other tax law changes included in the legislation, and please contact us with any questions in the meantime.

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