

Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

California bill suspends net operating losses, limits certain tax credits, and clarifies apportionment

On June 13, 2024, the California legislature passed Senate Bill 167 (SB 167). If enacted, SB 167 provides for a three-year suspension of net operating losses (NOLs) under the California Personal Income Tax and Corporation Tax, a three-year cap on the use of business incentive tax credits to offset no more than \$5 million of tax per year, and retroactive application of the Franchise Tax Board's Legal Ruling 2006-1 issued on April 28, 2006, with respect to the treatment of apportionment factors attributable to income exempt from California Corporation Tax Law.

URL: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB167

URL: <https://www.ftb.ca.gov/tax-pros/law/legal-rulings/2006-01.pdf>

This Multistate Tax Alert summarizes some of the relevant provisions in SB 167.

[Issued June 24, 2024]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-california-bill-suspends-net-operating-losses-limits-certain-tax-credits.pdf>

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