

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 enacts Senate Bills 167 and 175 on NOLs and credits

On June 27, 2024, California Senate Bill 167 (SB 167) was enacted into law. 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. See previously issued Multistate Tax Alert (June 24, 2024) for an overview of the relevant provisions in SB 167.

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>

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>

In addition, California Senate Bill 175 (SB 175) was enacted on June 29, 2024. SB 175 is a companion bill to SB 167. This Multistate Tax Alert covers some of the relevant provisions in SB 175.

URL: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB175

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URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-california-enacts-senate-bills-167-and-175-on-nols-and-credits.pdf>

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