

## Income/Franchise:

### Connecticut: Summary of New Law Extending NOL Carryforward Period and Modifying Net Deferred Tax Liability Deduction

*2024 Connecticut State Tax Developments*, Conn. Dept. of Rev. Serv. (7/24). The Connecticut Department of Revenue Services (Department) posted a summary of tax legislation enacted in 2024, including legislation that:

**URL:** <https://portal.ct.gov/drs/miscellaneous-taxes/other-tax-page/state-tax-developments/2024-developments>

1. Extends the state corporation business tax net operating loss (NOL) carryforward period from 20 to 30 income years for NOLs incurred in income years starting on or after January 1, 2025; and
2. Modifies Connecticut's net deferred tax liability deduction that was enacted as part of the State's shift from separate entity filing to mandatory combined unitary reporting for purposes of the state corporation business tax [see H.B. 5524, signed by gov. 6/6/24, and *State Tax Matters*, Issue 2024-24, for more details on this legislation].

**URL:**

[https://www.cga.ct.gov/asp/cgabilstatus/cgabilstatus.asp?selBillType=Bill&which\\_year=2024&bill\\_num=5524](https://www.cga.ct.gov/asp/cgabilstatus/cgabilstatus.asp?selBillType=Bill&which_year=2024&bill_num=5524)

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240614\\_1.html](https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240614_1.html)

Regarding the later provision, the summary explains that certain eligible corporations are “essentially allowed a second opportunity to determine the amount of the net deferred tax liability deduction allowed pursuant to Conn. Gen. Stat. § 12-218g.” To do so, the Department explains that such corporations must file a statement on or before July 1, 2025, specifying the total amount of this deduction, and the allowable deduction may be claimed over a 30-year period starting with the “first income year that begins in 2026.” Please contact us with any questions.

— Jack Lutz (Hartford)  
Managing Director  
Deloitte Tax LLP  
jacklutz@deloitte.com

Maura Bakoulis (Hartford)  
Senior Manager  
Deloitte Tax LLP  
mbakoulis@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500<sup>®</sup> and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).