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**ADVISORY**

# State-by-State Tax Legislation in Response to Federal Tax Reform

As a result, many states have passed new tax measures to compliment or counter the affects of the new federal tax laws on their residents.

Jul. 11, 2018

The Tax Cuts and Jobs Act, the major tax reform law passed into law at the end of 2017, has had many affects on taxpayers, particularly regarding the deductibility of property and local taxes, but also in other areas. As a result, many states have passed new tax measures to compliment or counter the affects of the new federal tax laws on their residents.

[Thomson Reuters](#) has compiled a list of the state legislation across the U.S. that has been enacted in response to the federal tax reform law. Visit the [Thomson Reuters Tax Cuts and Jobs Act Toolkit page](#) for more related news.

State	Legislation Enacted in Response to Federal Tax Reform	Authority
AK	None.	
AL	Alabama has not enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), but has issued guidance on the state	IRC Section 965: Guidance for Corporate Filers, Partnerships, S Corporations, and

implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965 for Alabama income tax purposes.

Individual Taxpayers, 04/27/2018; Additional Guidance for Corporate Taxpayers subject to the IRC Section 965, 06/22/2018; Federal Income Tax Deduction Worksheet-IRC Section 965 (06/2018)

AR Arkansas has enacted legislation to amend its Tax-Deferred Tuition Savings Program Act with updated definitions referencing IRC § 529 so that these conform to the federal provision as in effect on 01/01/2018, as amended by the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017).

L. 2018, H1008, effective for tax years starting on or after 01/01/2018

AZ Arizona has enacted legislation to revise its IRC conformity date to 01/01/2017, for tax years beginning from and after 12/31/2017. For tax years beginning from and after 12/31/2016, through 12/31/2017, Arizona adopts the IRC as amended, in effect on 01/01/2017, including all federal changes became effective during 2016 with the specific adoption of all federal retroactive effective dates, and including provisions of the federal Disaster Tax Relief Act of 2017 (P.L. 115-63, 09/29/2017), the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), and the federal Bipartisan Budget Act

L. 2018, H2647, effective 90 days after adjournment of the legislative session; Ariz. Rev. Stat. Ann. § 43-105(B)

(P.L. 115-123, 02/09/2018), that are retroactively effective during tax years beginning after 12/31/2016, through 12/31/2017, unless otherwise decoupled.

CA California has not enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), and does not conform to changes to the federal IRC after its static 01/01/2015 conformity date. However, the state has clarified its treatment of a number of items in relation to the changes to federal law contained in the TCJA.

Summary of Federal Income Tax Changes 2017, 05/16/2018; Taxable Year 2017 IRC Section 965 Reporting, 05/18/2018

CO Colorado has not enacted legislation specifically responding to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), but has created an income tax credit for employers who contribute to an employee's 529 qualified state tuition program account administered by CollegeInvest.

L. 2018, H1217, effective 08/08/2018; CDOR Supplemental Instructions for Colorado Income Tax Filing, 06/11/2018

Colorado has also issued guidance on the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965.

CT Connecticut has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), designed to circumvent the limitation on the federal state and local tax deduction. The law (1) decouples from

L. 2018, S11, effective 05/31/2018 unless otherwise stated; OCG-4 (Revised), Connecticut Treatment of the Federal Repatriation Transition

	<p>IRC § 163(j), IRC § 168(k), and IRC § 179; and (2) creates a new pass-through entity tax. Connecticut has also issued guidance on the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965 for purposes of the Connecticut corporation business tax and personal income tax.</p>	<p>Tax under IRC § 965, CT Office of the Commissioner Guidance, 05/11/2018; 2018 DRS Legislative Summary, 06/04/2018</p>
DC	None.	
DE	None.	
FL	<p>Florida has enacted legislation to revise its IRC conformity date to 1/1/2018, and thus, conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), with exceptions. Florida specifically decouples from the federal bonus depreciation deduction, and introduces an automatic downward adjustment of the corporate income tax rate for one year based on the actual net collections for fiscal year 2018-2019, with excess collections refunded to corporate income taxpayers. Florida has also issued guidance on the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965.</p>	<p>L. 2018, H7093, effective 03/23/2018, retroactive to 01/01/2018; Fla. Stat. § 220.03(1)(n); Florida Tax Information Publication No. 18C01-01, 04/27/2018; Florida Tax Information Publication No. 18C01-02, 06/28/2018</p>
GA	<p>Georgia has enacted legislation to revise its IRC conformity date to 02/09/2018, and thus, conforms to the</p>	<p>L. 2018, H918, effective 03/02/2018, and as noted; L. 2018, S328,</p>

<p>changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017) and the federal Bipartisan Budget Act (P.L. 115-123, 02/09/2018), with some exceptions. For example, IRC § 118, IRC § 163(j), and IRC § 382(k) (1) are treated as they were in effect prior to the enactment of the federal TCJA. Georgia also doubles its standard deduction, lowers its top individual and corporate income tax rates, modifies IRC § 179, and decouples from the federal treatment of IRC § 951A.</p>	<p>effective 03/27/2018 and applicable to tax years beginning on or after 01/01/2018; Ga. Code Ann. § 48-1-2(14); Ga. Code Ann. § 48-7-21(b) (8)(A); Federal Income Tax Changes, 03/06/2018; Policy Bulletin IT 2018-01: Exclusion for Dividends from Sources Outside the United States, 06/26/2018</p>
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<p>Hawaii has enacted legislation to revise its IRC conformity date to 02/09/2018, thereby conforming to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), and the federal Bipartisan Budget Act (P.L. 115-123, 02/09/2018), unless otherwise decoupled. Specifically, Hawaii has decoupled from IRC § 91, IRC § 199A, IRC § 250, IRC § 267A, IRC § 274, and Subchapter Z (IRC § 1400Z-1 to IRC § 1400Z-2).</p>	<p>L. 2017, S2821 (Act 027), effective 06/07/2018, and as stated</p>
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<p>IA Iowa has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), to revise its conformity to 03/24/2018 for tax years beginning during the 2019 calendar year, and to switch to rolling conformity for tax years beginning on</p>	<p>L. 2018, S2417, effective 5/30/2018 and as stated; Iowa's Non-Conformity With 2017 IRC, Iowa Dept. of Rev., 02/28/2018; IDR Begins to Prepare Guidance on</p>
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or after 01/01/2020. For tax years beginning on or after 01/01/2016, and prior to 01/01/2019, Iowa continues to conform to the IRC as amended on 01/01/2015, and thus does not conform to changes resulting from the TCJA, except for a number of amendments to the extent they affect the calculation of federal adjusted gross income or taxable income for purposes of the Iowa individual income tax. Iowa's legislation also specifically modifies IRC § 179.

State Tax Reform, 06/01/2018;  
IDR Has Prepared  
Guidance on State Tax  
Reform, 06/05/2018

ID Idaho has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017). Specifically, for tax years beginning on or after 01/01/2018, Idaho conforms to the Internal Revenue Code as amended and in effect on 01/01/2018, but decoupling from the federal treatment of IRC § 245A, IRC § 250, and IRC § 965, and requiring addition modifications when computing Idaho taxable income. However, for tax years beginning on any day of 2017, Idaho conforms to the Internal Revenue Code in effect as of 12/21/2017, except that the amendments to IRC § 965 and IRC § 213 are applied as in effect on 12/31/2017, and IRC § 108, IRC § 163, IRC § 168(e), IRC § 168(i), IRC § 179D, IRC § 179E, IRC § 181, IRC § 199, IRC § 222, and IRC § 451, are applied as in effect on 02/09/2018 (thus reflecting amendments to the IRC made by the

L. 2018, H355, effective retroactively to 01/01/2018; L. 2018, H463, effective retroactively to 01/01/2018; L. 2018, H624, effective retroactively to 01/01/2018; Idaho Code § 63-3004(a); Idaho Code § 63-3004(b); Idaho Code § 63-3022(d); News Release, Idaho STC, 03/30/2018; News Release, Idaho STC, 02/16/2018; Changes for 2017 Idaho income tax returns, 03/30/2018

federal TCJA, as well as the federal Bipartisan Budget Act (P.L. 115-123, 02/09/2018)).

IL Illinois has enacted legislation implementing its budget but not specifically in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017). Illinois has, however, issued guidance on the state implications of the federal GILTI and deemed repatriation rules and certain taxpayers' reporting requirements with respect to IRC § 951A and IRC § 965, respectively, for purposes of Illinois business income taxes.

L. 2018, H3342, effective 06/04/2018; Illinois Dept. of Rev. Info. Bulletin No. FY 2018-23, 03/01/2018

IN Indiana has enacted legislation to revise its IRC conformity date to 02/11/2018, which includes changes to the IRC resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), and the federal Bipartisan Budget Act (P.L. 115-123, 02/09/2018), but decoupling from IRC § 965, IRC § 163(j), IRC § 199A, IRC § 118, and IRC § 250. Indiana has also clarified taxpayers' state reporting requirements with respect to IRC § 965.

L. 2018, H1316 (S.S.), effective 05/14/2018 and as stated; Overseas Earnings and Taxes, 07/05/2018

KS None.

KY Kentucky has enacted legislation to revise its IRC conformity date for purposes of its corporate income tax to

L. 2018, H366, effective 04/13/2018, unless otherwise noted; L. 2018,

12/31/2017, and thus, conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), but decouples from IRC § 199A. H487, effective 04/27/2018 and as stated; DOR Launches TaxAnswers.ky.gov to Provide Information on HB 487, 05/31/2018

LA Louisiana has issued guidance clarifying the requirement to file amended Louisiana personal income tax returns due to federal disaster relief under the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017). Louisiana Revenue Information Bulletin No. 18-012, 06/29/2018

MA Massachusetts has not enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), but has issued guidance on the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965 for Massachusetts corporation excise purposes. Massachusetts Technical Information Release, No. 18-4, 05/15/2018

MD Maryland has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017) in order to decouple from the elimination of the federal personal exemption for tax years 2018 through 2025. L. 2018, S184 (c. 575), effective 07/01/2018 and applicable to all taxable years beginning after 12/31/2017

ME None.



MI Michigan has enacted legislation to L. 2018, S748 (P.A. 38),  
revise its IRC conformity date for effective 02/28/2018,  
purposes of its personal and corporate unless otherwise noted;  
income tax, to 01/01/2018, and thus, Mich. Comp. Laws Ann.  
conforms to the changes resulting from § 206.607(6); Mich.  
the federal Tax Cuts and Jobs Act (P.L. Comp. Laws Ann.  
115-97, 12/22/2017), but decouples from § 206.12(3); Michigan  
the TCJA's treatment of the personal Department of Treasury  
exemption. Michigan has also clarified Update, 05/01/2018;  
the state corporate income tax Corporate Income Tax  
implications of the federal deemed Guidance on Federal Tax  
repatriation rules under IRC § 965 and Cuts and Jobs Act,  
global intangible low taxed income 07/02/2018  
(GILTI) under IRC § 951A.

MN None.

Missouri has enacted legislation  
decreasing the corporate income tax L. 2018, S884, effective  
rate, amending the allocation and 08/28/2018  
apportionment of corporate income  
MO provisions, and adjusting individual  
income tax rates.

MS None.

Montana has not enacted legislation in  
response to the federal Tax Cuts and Montana Tax News You  
Jobs Act (P.L. 115-97, 12/22/2017), but Can Use, Mont. Dept. of  
has clarified that a withdrawal from a Rev., 03/01/2018

MT Montana 529 Plan to pay for K-12  
tuition continues to be a nonqualified  
withdrawal under the Montana Family  
Education Savings Act.

NC North Carolina has enacted legislation L. 2018, S99 (c. 5),

to revise its IRC conformity date to effective 07/01/2018, 02/09/2018, thereby conforming to the unless otherwise stated changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), and the federal Bipartisan Budget Act (P.L. 115-123, 02/09/2018), unless otherwise decoupled. North Carolina specifically decouples from or modifies IRC § 78, IRC § 250, IRC § 951, IRC § 951A, IRC § 965.

ND None.

Nebraska has enacted legislation to reinstate a personal exemption credit L. 2018, LB1090, effective 04/17/2018 eliminated by the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017).

NE

NH None.

NJ New Jersey has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), permitting localities to establish charitable funds to accept donations from taxpayers as a workaround to the SALT cap in the TCJA. New Jersey has also clarified the state implications of (1) the repeal of the federal domestic production activities deduction (DPAD) and (2) the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965 for purposes of the New Jersey Corporation Business Tax and Gross Income Tax. L. 2018, S1893, effective 07/03/2018; L. 2018, A4202, effective as stated; Notice: New Jersey's Treatment of Deemed Repatriation Dividends Reported Pursuant to Internal Revenue Code (IRC) Section 965, 03/16/2018; Domestic Production Activities Deduction, 05/24/2018

NM None.

NV N/A

Although New York effectively conforms to the IRC on a rolling basis and thus conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), legislation has been enacted to decouple from a number of provisions, including those relating to the standard and itemized deductions, and to create a number of state modifications, including expanding the definition of exempt CFC income to include amounts included in federal gross income under IRC § 965. New York has also enacted an optional payroll tax and created a charitable contributions credit. New York State and New York City have also issued guidance on the state and local implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965.

L. 2018, S7509 (c. 59), effective 04/12/2018 or as stated; New York State Department of Taxation and Finance Important Notice No. N-18-4, 04/01/2018; New York City Finance Memorandum No. 18-4, 04/20/2018; TSB-M-18(3)C, 05/25/2018; TSB-M-18(4)I, 05/25/2018

OH Ohio has enacted legislation updating its conformity for personal income tax purposes to incorporate amendments to federal law since 03/30/2017, thus adopting the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017) and the federal Bipartisan Budget Act of 2018 (P.L. 115-123, 02/09/2018), unless otherwise

L. 2018, S22; Ohio Rev. Code Ann. § 5701.11(A)(1); Ohio Rev. Code Ann. § 5701.11(B)(1); Ohio Rev. Code Ann. § 5747.01(H); Tax Alert, Notice Concerning Ohio Conformity, Ohio Dept. of Taxation, 06/25/2018

decoupled. Notably, Ohio continues to decouple from IRC § 168(k) and IRC § 179.

OK Although Oklahoma conforms to the IRC in effect for the relevant tax year, and thus conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), legislation has also been enacted to allow taxpayers to pay taxes on IRC § 965 income in installments as under IRC § 965(h), when the election is made for federal income tax purposes.

L. 2018, H3715, effective upon adjournment of the 79th legislature

OR Oregon has revised its fixed conformity date to 12/31/2017, for tax years beginning on or after 01/01/2018, unless explicitly stated otherwise. Oregon thus conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), but has enacted legislation decoupling from the federal deemed repatriation rules under IRC § 965 and created a new, limited credit.

L. 2018, SB 1529; Or. Rev. Stat. § 317.010(7)(a); Or. Rev. Stat. § 317.010(7)(b); Or. Rev. Stat. § 317.267(1); Oregon Revenues No. 03/19/2018, 03/19/2018; Oregon Revenues No. 04/12/2018, 04/12/2018

PA Pennsylvania has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), to allow depreciation under IRC § 167 and IRC § 168, as amended (except for IRC §168(k)). Pennsylvania has clarified the disallowance of any deduction for

L. 2018, SB1056, effective 06/28/2018; Pennsylvania Corporation Tax Bulletin No. 2017-02, 12/22/2017; Pennsylvania Informational

	depreciation of qualified property under IRC § 168(k), and issued guidance on the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965.	Notice, Corporation Taxes and Personal Income Tax 2018-01, 04/20/2018
RI	Rhode Island has enacted legislation in response to the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), to decouple from the federal personal exemption. Rhode Island has also issued guidance to clarify the state implications of the federal deemed repatriation rules under IRC § 965 on individual, partnership, and S corporation tax returns.	L. 2018, H7200 (c. 47), effective 07/01/2018, unless otherwise stated; Rhode Island Advisory No. 2018-21, 04/25/2018; Rhode Island Advisory No. 2018-23, 06/11/2018
SC	None.	
SD	South Dakota has enacted legislation effective 07/01/2018, to conform to the IRC as amended and in effect on 01/01/2018, for purposes of its income tax on banks and financial institutions, thereby conforming to changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017). The state has also issued guidance on taxpayers' reporting requirements with respect to IRC § 965 for purposes of the South Dakota bank franchise tax.	L. 2018, H1049, effective 07/01/2018; S.D. Codified Laws § 10-1-47; S.D. Codified Laws § 10-43-10.1; Press Release: Guidance on Federal Tax Law Changes Relating to Foreign Dividend Recapture, 04/26/2018
TN	Tennessee has enacted legislation in response to the federal Tax Cuts and	L. 2017, S2119, effective as stated; Tennessee

Jobs Act (P.L. 115-97, 12/22/2017), to decouple from IRC § 163(j), and IRC § 118. Tennessee has also clarified the state implications of the federal deemed repatriation rules and taxpayers' reporting requirements with respect to IRC § 965 for purposes of the Tennessee franchise and excise tax. Important Notice 18-05, 04/01/2018

TX None.

Although Utah conforms to the IRC in effect for the relevant tax year, and thus conforms to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), legislation has also been enacted to allow certain corporations to pay taxes on IRC § 965 deferred foreign income in installments as under IRC § 965(h). L. 2018, S244, effective retroactively to taxable years beginning on or after 01/01/2018; Utah Code Ann. § 59-7-118

VA Virginia has enacted legislation to revise its IRC conformity date to 02/09/2018, thereby conforming to most provisions of the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), that are effective for tax years beginning after 12/31/2016, and before 01/01/2018. However, the legislation specifically decouples from most provisions of the federal TCJA that are effective for tax years beginning on or after 01/01/2018, except for those providing tax relief for specified 2016 disaster areas and the extension of combat zone benefits to members of L. 2018, S230 (c. 14), effective 02/22/2018; Va. Code Ann. § 58.1-301(B); Virginia Tax Bulletin No. 18-1, 02/26/2018

the armed forces performing services in the Sinai Peninsula of Egypt. The temporary increase to the medical expenses deduction for the 2017 and 2018 tax years under the TCJA, is also not applicable for purposes of the Virginia income tax. The legislation conforms to the federal Bipartisan Budget Act of 2018 (P.L. 115-123, 02/09/2018), only for the 2017 tax year.

VT	<p>Vermont has enacted legislation to revise its IRC conformity date to 12/31/2017, for tax years beginning on or after 01/01/2017, thereby conforming to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017).</p>	<p>L. 2018, H16, effective generally on 06/29/2018</p>
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WA	N/A	
WI	<p>Wisconsin has revised its conformity date for purposes of its corporate and personal income taxes. For tax years beginning after 12/31/2017, Wisconsin conforms to the IRC amended to 12/31/2017, with the exclusion of a number of changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), including the creation of IRC § 59A, IRC § 199A, IRC § 245A, IRC § 267A, and IRC § 951A; and amendments to IRC § 250, IRC § 168, IRC § 451, and IRC § 965, among others. For tax years beginning after 12/31/2016, and before 01/01/2018,</p>	<p>L. 2017 A259 (Act 231), effective 04/05/2018; Wis. Stat. § 71.22(4) (L) (1); Wis. Stat. § 71.22(4) (k) (1); Wis. Stat. § 71.22(4) (k) (3); Wis. Stat. § 71.01(6) (k) (1); Wis. Stat. § 71.01(6) (k) (3); Wis. Stat. § 71.01(6) (L) (1); Wis. Stat. § 71.01(6) (L) (3); IRC Provisions in the Federal Tax Cuts and Jobs Act of 2017, 04/30/2018; Wisconsin Dept. Rev.</p>

Wisconsin conforms to the IRC as amended to 12/31/16, not including amendments to the IRC after that date, except for certain changes resulting from the federal TCJA relating to IRC § 529, IRC § 529A, and IRC § 481, which apply for Wisconsin tax purposes. The enacted legislation does not conform to changes resulting from the federal Bipartisan Budget Act of 2018 (P.L. 115-123, 02/09/2018).

Tax Bulletin, No. 201,  
04/01/2018

West Virginia has revised its IRC conformity date to 12/31/2017, for purposes of its corporate net income tax and personal income tax, thereby conforming to the changes resulting from the federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017), unless otherwise decoupled. For purposes of the personal income tax, West Virginia specifically decouples from the elimination of the personal exemption for tax years beginning on or after 01/01/2018. The enacted legislation does not conform to changes resulting from the federal Bipartisan Budget Act of 2018 (P.L. 115-123, 02/09/2018).

L. 2018, H4135, effective 02/09/2018; L. 2018, H4146, effective 02/09/2018; W. Va. Code § 11-24-3(a); W. Va. Code § 11-24-3(c); W. Va. Code § 11-21-9(a); W. Va. Code § 11-21-9(d); W. Va. Code § 11-21-9(f)

WV

WY

N/A

Compiled by Maria Castilla, J.D. (Checkpoint Catalyst)



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