

State Tax Alert
10/01/2024

State corporate income and franchise tax developments in the third quarter of 2024

This alert provides a summary of the significant legislative, administrative and judicial actions that affected US state and local income/franchise and other business taxes for the third quarter of 2024. These developments are compiled from the EY Indirect/State Tax Weekly and Indirect/State Tax Alerts issued during that period.

Key developments

Pennsylvania increases NOL cap, clarifies related party addback provisions, enhances and creates new business tax credits and incentives

[SB 654](#) (enacted July 11, 2024) modifies various taxes including the corporate net income tax (CNIT). Notably, SB 654 gradually increases the net loss (NOL) deduction; clarifies related-party interest/intangible expenses and costs addback requirements; clarifies the goodwill deduction under the Bank and Trust Company Shares Tax; and amends and creates various tax credits.¹

NOLs: Under SB 654, the NOL deduction is the sum of two calculations: the allowable deduction for NOLs incurred in tax years beginning *before* January 1, 2025, plus the allowable deduction for NOLs incurred in tax years beginning *after* December 31, 2024. The allowable deduction for net losses incurred in tax years beginning *before* January 1, 2025, remains at 40% of post-apportionment taxable income. This limit applies until all pre-2025 losses are used, with the earliest net loss carryovers applied first against the limitation.

For net losses incurred in tax years beginning *after* December 31, 2024, the NOL deduction gradually increases from 50% to 80%. Under the statutory formula, deductions for post-2024 NOLs will be reduced until all pre-2025 NOLs are utilized. For details on how to calculate NOL deduction, see Tax Alert [2024-1520](#).

Related-party intangible interest/intangible expense or cost addback: For tax years beginning after December 31, 2022, if a taxpayer adds back intangible expense or cost (e.g., royalties and license fees) and related interest expense or cost, and an affiliated entity subject to the CNIT otherwise includes those items in taxable income, the affiliated entity may make an annual election to exclude those items with the filing of its original tax return. The exclusion may not exceed the intangible expense or cost, or the interest expense or cost, paid, accrued or incurred by the taxpayer.

Deduction for medical cannabis businesses: SB 654 allows a “medical cannabis business” to claim an additional deduction for ordinary and necessary business expenses that were paid or incurred during the tax year, if no deduction was taken for federal income tax purposes under IRC Section 162 for the tax year. This change applies to tax years commencing after December 31, 2023.

Bank and trust company shares tax: SB 654 allows an institution to deduct from share value all goodwill resulting from an acquisition or business combination occurring after June 30, 2001, and recorded in the institution's reports of condition under generally accepted accounting principles. In computing the deduction for US obligations, an institution should include any goodwill deducted from share value. These changes apply to the determination of the taxable portion of shares after December 31, 2024, and to the report and the payment of the tax due after March 14, 2025.

Tax credits and incentives: SB 654, applicable to fiscal years beginning after June 30, 2024, increases the maximum neighborhood assistance tax credits that a “business firm” may apply against an enumerated tax from 55% to 65% of the total amount contributed to approved programs during the tax year. SB 654 establishes new tax credits for an employer's matching contributions to 529 savings accounts (effective for tax years beginning after December 31, 2024, and ending before January 1, 2030) and for an employer's childcare contributions (effective for tax years beginning after December 31, 2024). (Tax Alert [2024-1520](#).)

¹ See, Pa. Dept. of Rev., “[State Tax Legislative Summary](#)” (Aug. 2024).

Massachusetts tax amnesty program to run November 1, 2024 through December 30, 2024

[HB 4800](#) (enacted July 29, 2024) authorizes a 60-day tax amnesty program. On September 13, 2024, the Massachusetts Department of Revenue (MA DOR) [announced](#) that the amnesty program will run November 1, 2024 through December 30, 2024. The amnesty program applies to tax returns due on or before December 31, 2024. In exchange for participating in the amnesty program, thereby coming into tax compliance by filing outstanding returns and paying tax and interest owed for the tax periods covered by the returns, the commissioner will waive most penalties.² Penalties will not be waived for any period for which the taxpayer does not properly file the return. The commissioner is not authorized to waive interest.

Taxes [eligible](#) for amnesty include, but are not limited to, corporate combined excise, corporate excise, pass-through entity (PTE) level (Chapter 63D), financial institution excise, fiduciary income, life insurance excise, partnership income, and personal income. Amnesty does not apply to penalties the commissioner does not have the sole authority to waive, such as the penalties associated with fuel taxes administered under the International Fuel Tax Agreement and the local portion of taxes or excise taxes collected for cities, towns or state government authorities.

In addition to waiving penalties, the tax commissioner is authorized to determine the scope of the amnesty program, including the tax types, the tax periods covered and the applicable look-back periods, not to exceed four years. In its guidance, the MA DOR said non-filers may be eligible for a three-year limited look-back period.

Penalties cannot be waived for taxpayers who are or who have been subject to a tax-related criminal investigation or prosecution, or for taxpayers that have delivered or disclosed a false or fraudulent application, return, document or other statement. (See Tax Alert [2024-1488](#).)

Legislative developments

District of Columbia: [B25-0784](#) (became law September 18, 2024) modifies the District of Columbia's combined reporting provisions by moving from the *Joyce* to *Finnigan* apportionment method for tax years beginning after December 31, 2025. As a result, all District of Columbia-sourced receipts of combined group members are generally includable in the receipts factor numerator, regardless of whether the member has nexus with the District of Columbia. Provisions of the bill also repeal D.C. Code Section 47-1817.07a, which imposed a 3% income tax rate on capital gains from the sale or exchange of an investment in a Qualified High Technology Company. (These same changes also were enacted via an emergency bill, [B25-0875](#), on July 15, 2024; as an emergency bill, B25-0875 is effective for 90 days and it will expire on October 13, 2024. Unlike the emergency bill, B25-0784 is a permanent bill and does not expire.)³ (See SALT Weekly for [July 26 and August 2, 2024](#).)

Hawaii: [SB 2497](#) (enacted July 1, 2024) modifies the state's research activities tax credit and extends it through December 31, 2029 (from 2024). For purposes of the credit, all references to the IRC Sections 41 and 280C(c) are operative. The bill repeals provisions that made inapplicable reference to the IRC Section 41 base amount and provisions that allowed credit for all qualified research expenses to be taken without regard to the prior years' expenses. The definition of "qualified high technology business" is amended to mean "a small business that conducts more than [50%] of its activities in qualified research in the State and is registered to do business in the State." SB 2497 took effect upon approval and applies to tax years beginning after December 31, 2023. (See SALT Weekly for [July 12 and July 19, 2024](#).)

Illinois: [SB 3155](#) (enacted August 9, 2024) modifies the angel investment tax credit recapture provisions. Generally, if a qualified new business venture fails to maintain a minimum employment threshold in Illinois through the date which is three years from the date the last credit certificate was issued, the claimant of the credit must pay back the aggregate amount of disqualified credits the claimant received related to investments in that business. SB 3155 provides this three-year reporting period does not include March 13, 2020, to January 1, 2024.

² The following penalties will not be waived: Section 35A ("penalty for underpayment of tax required to be shown on the return"), Section 35D ("inconsistent position in reporting of income; disclosure") or Section 35F ("penalty for automated sales suppression device").

³ See also, D.C. Office of Tax and Rev., "[District of Columbia Tax Changes Take Effect October 1st](#)" (Sept. 9, 2024).

Rather, for angel investment tax credits involving a three-year reporting period that includes these dates, the Illinois Department of Revenue has the discretion to determine the repayment of any issued tax credit. SB 3155 took effect upon becoming law. (See SALT Weekly for [August 9 and August 16, 2024](#).)

HB 5412 (enacted July 19, 2024) amends the Reimagining Energy and Vehicles in Illinois (REV) Act and Manufacturing Illinois Chips for Real Opportunity (MICRO) Act to provide that if an applicant issued a certificate for a tax credit or tax exemption under the REV or MICRO Acts fails to annually report the total project tax benefits received, such failure may result in the applicant's ineligibility to receive incentives/exemptions. The Illinois Department of Revenue (IL DOR) may adopt rules governing ineligibility to receive credits/exemptions, including the length of ineligibility. HB 5412 took effect immediately. (See SALT Weekly for [August 9 and August 16, 2024](#).)

Massachusetts: **HB 4977** (August 6, 2024) establishes tax credits that can be claimed against the corporate excise tax for qualified conversion projects — i.e., the rehabilitation of commercial property located in designated areas that is primarily for multi-unit residential or mixed-use and that meet certain requirements. Credits available include up to 10% of the qualified conversion project development costs. The law also establishes tax credits for a “qualified homeownership development project,” which is a project that focuses on the development of new, single-family dwellings. The amount of credit available will be listed on the eligibility certificate. These new credits may be transferred in whole or in part. Excess credit may be carried forward for up to 10 years. Lastly, the law extends the Massachusetts historic rehabilitation tax credit through December 31, 2030 (from December 31, 2027). These provisions are effective for tax years beginning on or after January 1, 2025. (See SALT Weekly for [August 23 and August 30, 2024](#).)

HB 4976 (enacted on August 8, 2024) increases the amount of the credit available for hiring qualified veteran to \$2,500 (from \$2,000) for each qualified veteran hired; this credit may be claimed against the corporate excise tax and the personal income tax. This change is effective for tax years beginning on January 1, 2024. (See SALT Weekly for [August 23 and August 30, 2024](#).)

Missouri: **HB 1912** (enacted on July 12, 2024) modifies the elective PTE tax (PTET) to provide an opt-out election for nonresident members of a PTE that makes an election to be subject to the PTET (i.e., an “affected business entity”). The affected business entity, in computing the PTET, must subtract the opt-out members’ allocable income and deduction items, and consider the effect of any opt-out election on such member’s share of deductions, credits and any other relevant items. The law also expands the PTET credit to a fiduciary of an estate or trust that is a member of the affected business entity. For purposes of the PTET, the law amends the definition of “partnership” to specifically exclude a publicly traded partnership. Lastly, the law modifies the tax credit for income tax paid to another state for S corporation shareholders to provide that the credit is equal to Missouri individual income tax imposed on such shareholder’s share of the S corporation’s income derived from sources in another state and which is subject to Missouri income tax but is not subject to income tax in the other jurisdiction. HB 1912 took effect on August 28, 2024. (See SALT Weekly for [July 12 and July 19, 2024](#).)

SB 872 (enacted July 9, 2024), applicable to all tax years beginning on or after January 1, 2022, modifies the income tax deduction for 100% of federal grant money received for the express purpose of expanding broadband internet access to areas of Missouri deemed to be lacking such access, expanding this deduction to apply to state or local grant money received for the same purpose. (See SALT Weekly for [July 12 and July 19, 2024](#).)

New Hampshire: **HB 1525** (enacted July 19, 2024) extends for business profits tax (BPT) and business enterprise tax (BET) purposes the date by which the New Hampshire Department of Revenue Administration (NH DRA) must issue automatic refunds for BPT and BET credit carryovers greater than 250% of their tax liability. Under current law, the NH DRA must issue automatic refunds of BPT and BET credit carryovers greater than 500% of their tax liability. For tax periods ending on or after December 31, 2029 (from December 31, 2025), a credit will be allowed in an amount up to 250% of the total tax liability for the tax period, with the remainder of the overpayment being refunded. The amount of the credit is reduced to an amount up to 100%, for tax periods ending on or after December 31, 2031, with overpayments being refunded. HB 1525 took effect on July 1, 2024. (See SALT Weekly for [July 26 and August 2, 2024](#).)

New Jersey: **S. 3303/A. 4046** (enacted July 10, 2024) provides an amended accommodation to certain grant and credit recipients with a 60% full-time employee in-office presence requirement to provide that the requirement will be met if the business recipient has a 40% in-office presence and makes a payment equal to 20% of the tax credit

it receives for the tax period to the municipal affordable housing trust fund in the municipality in which the qualified business facility is located. S. 3303/A. 4046 also provides the Economic Development Authority with the discretion to extend the life of issued credit/grant tax certificates. This change took effect April 1, 2024. (See SALT Weekly for [July 12 and July 19, 2024](#).)

S.3432/A. 4558 (enacted July 25, 2024) establishes the “Next New Jersey Program Act” for investment in artificial intelligence (AI) and expands the New Jersey Economic Recovery Act to allow the award of tax credits to eligible AI businesses for capital investments in qualified business facilities. Among the requirements to qualify for the credit, an AI business must invest at least \$100 million at the qualified business facility and create at least 100 new full-time jobs in New Jersey. A business is not eligible to receive this credit if it is awarded certain tax credits under the Emerge Program Act for the same capital investment and employees that qualify the business for that credit. Unused credits can be carried forward for 10 successive tax periods. The credit may be sold or assigned. S. 3432/A. 4558 took effect immediately. (See SALT Weekly for [August 9 and August 16, 2024](#).)

S. 3275/A. 4448 (enacted on July 10, 2024) revises various provisions of the film and digital media content production tax credit program. The definitions of qualified film production expenses and qualified digital media content production expenses are expanded to include wages and salaries paid to nonresident employees who are not subject to New Jersey gross income tax because of the state’s reciprocity agreement with another state, among other changes to these definitions. Eligibility requirements for reality shows are modified to provide that at least 60% of the total film production expenses (exclusive of post-production costs) of the taxpayer are incurred for services performed and goods purchased in New Jersey, and the taxpayer’s qualified film production expenses for goods and services purchased and performed in New Jersey exceed \$1 million per production. For credit applications submitted after July 10, 2024, the calculation of digital media content production expenses is modified to provide that qualified wage and salary payments made to full-time employees working on digital media are not “deemed” expenses incurred for services performed. The law also allows a tax credit for qualified digital media content production expenses of the taxpayers for post-production services, including visual effects services. S. 3275/A. 4448 took effect immediately. (See SALT Weekly for [July 26 and August 2, 2024](#).)

North Carolina: HB 228 (enacted July 1, 2024), effective for tax years beginning on or after January 1, 2023, repeals provisions that allowed a taxed S corporation or taxed partnership (hereafter “taxed entity”), and not the fiduciaries and beneficiaries of estates and trusts who are shareholders/partners of the taxed entity, to claim the credit for taxes paid to another state or country on income taxed to the taxed entity. (See SALT Weekly for [July 12 and July 19, 2024](#).)

South Carolina: HB 4087 (enacted on July 2, 2024) modifies various credit and incentive provisions. The credit for headquarter facilities is modified by, among other changes: (1) specifying that, to qualify for the credit, the taxpayer must create 40 new “full-time” jobs (formerly, “40 new jobs”) that are performing headquarters-related functions and requiring that the new jobs have gross wages that are at least twice the per capita income of South Carolina and are provided a benefits package that includes health care; (2) removing research and development services as a type of qualifying job or type of facility that may qualify for the credit; and (3) changing how the amount of credit is computed. The job development credit is amended by redefining “employee” to require the employee work full time in South Carolina for the benefit of the project, including remote employees. In determining the amount of job development credit that may be claimed for a job filled by a remote employee, the physical location of the project, not the location where the remote employee provides services, must be used. Eligibility for the retraining credit is expanded to include businesses engaged in warehousing and distribution, and the types of retraining programs eligible for the credit is expanded to including retraining of current employees for the purpose of upskilling, management development or recertification in production-related competencies. (See SALT Weekly for [August 9 and August 16, 2024](#).)

Judicial developments

Minnesota: In *Uline, Inc.*,⁴ the Minnesota Supreme Court held that certain activities conducted by a multistate business were not ancillary to solicitation – regardless of the fact that they were assigned to sales representatives – and, therefore, those activities were not protected by Public Law (PL) 86-272. (See Tax Alert [2024-1549](#).)

⁴ *Uline, Inc. v. Comm’r. of Rev.*, A23-1561 (Minn. Aug. 7, 2024).

Nebraska: IRC Section 965 inclusion income does not qualify for the Nebraska dividends received deduction, the Nebraska Supreme Court (NE S.Ct.) ruled in *Precision Castparts Corp.*⁵ In so holding, the NE S.Ct. concluded that “the language of Section 965 does not deem the income included to be dividends ...” Further, citing the U.S. Supreme Court’s recent decision in *Moore*,⁶ the NE S.Ct. indicated that IRC Section 965 treats the inclusion as pass-through income, attributing the controlled foreign corporations’ retained earnings to the shareholders without regard to whether the earnings are distributed to the shareholders. Accordingly, the NE S.Ct. concluded⁷ that the IRC Section 965 inclusion did not qualify for the deduction under Neb. Rev. Stat. Section 77-2716(5). (See Tax Alert [2024-1778](#).)

Administrative developments

Hawaii: The Hawaii Department of Taxation revised its tax information release (TIR) on the elective PTET to incorporate legislative changes enacted in 2024 (Act 50, SB 2725). The law amended the PTET base by imposing the tax on the sum of the distributive shares and guaranteed payments of a qualified members (i.e., a member of an elective PTE that is an individual, trust or estate) and changing the PTET rate from the highest applicable individual tax rate to 9% and allows the PTE credit to be carried forward until exhausted.⁸ (See SALT Weekly for [August 23 and August 30, 2024](#).)

Idaho: Adopted amendments to Idaho Income Tax Admin. Rule 35.01.01.700, “credit for income taxes paid to another state or territory” (credit), provides that when tax is paid to another state by an affected business entity (i.e., a PTE that elects to be taxed at the entity level), the credit is a pro rata share of the of the actual tax paid to the other state. In calculating the credit, the share of any member that is an exempt entity is excluded. Idaho residents who are shareholders, partners or members of a PTE that has not elected to be treated as an Idaho affected business entity, but pays entity level taxes in other states, are allowed the credit to the extent the tax is attributable to the individual because of their share of the entity’s taxable income in another state. The amended rule took effect July 1, 2024. (See SALT Weekly for [August 9 and August 16, 2024](#).)

Illinois: The IL DOR issued guidance on recent changes to the net loss deduction (NLD) limitation – i.e., increasing the NLD cap to \$500,000 for tax years ending on or after December 31, 2024 and before December 31, 2027.⁹ (See SALT Weekly for [July 26 and August 2, 2024](#).)

Kansas: The Kansas Department of Revenue issued guidance on recent legislative changes related to (1) the business interest deduction under IRC Section 163(j),¹⁰ (2) the state’s SALT Parity Provisions (i.e., the elective PTET),¹¹ and (3) the subtraction modification provisions for federal jobs tax credits.¹² (See SALT Weekly for [August 9 and August 16, 2024](#) and for [August 23 and August 30, 2024](#).)

Missouri: The Missouri Department of Revenue (MO DOR) adopted amendments to [12 CSR 10-2.165](#) “Net Operating Losses on Corporate Income Tax Returns.” The MO DOR said it updated the rule to account for law changes since the prior amendment and to accommodate Administrative Hearing Commission rulings regarding NOLs. The amendments delete examples and adds new examples. The amended rule takes effect 30 days after publication in the Code of State Regulations.¹³ (See SALT Weekly for [August 9 and August 16, 2024](#).)

Oklahoma: The Oklahoma Tax Commission (OTC) adopted amendments to [Okla. Admin. Rules](#) Sections 710:50-17-51, 710:50-19-5 and 710:50-21-1 and adopted new rule Section 710:50-21-5, regarding the add-back of federal depreciation for Oklahoma income tax purposes. Under Oklahoma law, taxpayers may make an irrevocable election to immediately and fully deduct the cost of qualified property and qualified improvement property. This deduction, the OTC explained, is eligible for 100% bonus depreciation that can be claimed as an

⁵ *Precision Castparts Corp. v. Nebraska Dept. of Revenue*, 317 Neb. 481 (Aug. 30, 2024).

⁶ *Moore v. United States*, ___ U.S. ___, 144 S. Ct. 1680, 219. L. Ed. 2d 275 (2024).

⁷ While discussed at oral arguments, the court apparently did not have concerns about the Department’s long-standing application of Neb. Rev. Stat. Section 77-2716(5) allowing deduction for subpart F income generally.

⁸ Haw. Dept. of Taxn., [Tax Information Release No. 2024-01](#) (Aug. 15, 2024) (supersedes TIR 2023-02).

⁹ Ill. Dept. of Rev., [Informational Bulletin FY 2025-01](#) (July 2024).

¹⁰ Kan. Dept. of Rev., [Notice 24-16 “Interest Expense Under IRC Section 163\(j\)”](#) (Aug. 7, 2024).

¹¹ Kan. Dept. of Rev., [Notice 24-15 “Changes to SALT Parity Provisions”](#) (Aug. 20, 2024).

¹² Kan. Dept. of Rev., [Notice 24-18 “Modifications for Federal Jobs Tax Credits”](#) (Aug. 13, 2024).

¹³ Mo. Dept. of Rev., Amended [12 CSR 10-2.165](#) (Mo. Reg., Vol. 49, No. 15, Aug. 1, 2024).

expense in the tax year in which the property was placed in service. The OTC noted that this deduction is available in subsequent years “regardless of changes to federal law related to cost recovery amortization beginning January 1, 2023.” The OTC further explained that depreciation claimed under this provision by a taxpayer who elects immediate and full expensing of qualified property and qualified improvement property cannot duplicate the depreciation or bonus depreciation they claimed on their federal income tax return. For tax returns filed on or after January 1, 2023, the OTC said taxpayer must increase their federal taxable income by the amount of depreciation received under the IRC for the property for which the Oklahoma immediate and full expensing election was made on the Oklahoma income tax return. The amended rules and new rule took effect on August 11, 2024.¹⁴ (See SALT Weekly for [August 9 and August 16, 2024.](#))

Tennessee: In response to a ruling request, the Tennessee Department of Revenue (TN DOR) discussed sourcing receipts for franchise and excise tax apportionment purposes, finding that an out-of-state taxpayer, who principally sells its product to large wholesale distributors, must source its sales to the location of the wholesale distributors it sells its products to and not to the location of subsequent buyers (i.e., the ultimate end-users). The TN DOR found that the sales to Tennessee-located wholesale distributors are Tennessee sales and it rejected the taxpayer’s argument that, since the products remains with the wholesale distributors from 14 to 25 days, a de minimis principle should apply. The TN DOR also found that although there exist situations in which Tennessee contemplates excluding from the receipts factor sales to the ultimate end-user, those situations are not applicable to the taxpayer’s situation because the taxpayer is not engaged in drop shipment transactions.¹⁵ (See SALT Weekly for September 6 and September 13, 2024.)

Texas: The Texas Comptroller of Public Accounts determined that a company providing contract field operation consultants (i.e., subcontractors) on oil and gas drilling and workover rigs may exclude from total revenue subcontracting payments made for consulting and supervision services for completions and workovers of oil and gas drilling.¹⁶ (See SALT Weekly for [August 23 and August 30, 2024.](#))

Developments to watch

California: The California Franchise Tax Board (FTB) on September 13, 2024, issued a [Notice of Proposed Rulemaking](#) to adopt amendments to its market-based sourcing rules for California corporate franchise and income tax purposes. The rules, which would be codified at California Code of Regulations, title 18, Section 25136-2 (Proposed Regulation), are intended to apply for tax years beginning on or after January 1, 2024. The FTB released an “[Initial Statement of Reasons](#)” for the amendments, as well as [draft language](#) of the Proposed Regulation, which would affect asset managers, government contractors, research and development companies, and taxpayers in many other industries. (See Tax Alert [2024-1784.](#))

Georgia: The Georgia Department of Revenue (GA DOR) proposed amendments to [Rule 560-7-3-.13](#) “Consolidated Returns” (proposed rule) to incorporate statutory changes enacted under Act 824 (Ga. Laws 2022). Starting in 2023, a group of affiliated corporations can elect to file a consolidated return; prior to 2023, a group of affiliated corporations had to petition the Commissioner for permission to do so. The proposed rule would require that all credits utilized against the Georgia affiliated group’s tax liability be assigned to the consolidated parent, unless the parent generated the credit. Credits would only be assignable in the year generated and the assignment would have to be made by the return’s due date, including extensions. Credit carryforwards would not be assignable. The proposed rule would provide a transition rule for carrying forward credits and NOLs.¹⁷ (See SALT Weekly for [August 23 and August 30, 2024.](#))

The GA DOR proposed amendments to its regulations¹⁸ to implement legislative changes enacted in 2024 (HB 1181) that shortened credit carry forward periods, among other changes. Provisions that would be amended include those related to jobs tax credits, tax credits for qualified research expenses, film tax credits, quality jobs tax credits, postproduction film tax credits, personal protective equipment manufacturer jobs tax credits, and life

¹⁴ Okla. Tax Comm., Adopted amended Okla. Admin. Rules Sections 710:50-17-51, 710:50-19-5 and 710:50-21-1 and adopted new rule Section 710:50-21-5 ([Okla. Register](#), Vol. 41, Issue 22, Aug. 1, 2024).

¹⁵ Tenn. Dept. of Rev., [Revenue Ruling #24-06](#) (July 31, 2024).

¹⁶ Tex. Comp. of Pub. Accts., [Letter Ruling 202407025L](#) (July 24, 2024).

¹⁷ Ga. Dept. of Rev., Notice IT-2024-4 “Proposal to amend Rule 560-7-3-.13 Consolidated Returns” (Aug. 30, 2024).

¹⁸ [Rules 560-7-8-.36, 560-7-8-.42, 560-7-8-.45, 560-7-8-.51, 560-7-8-.59, 560-7-8-.61, 560-7-8-.66 and 560-7-8-.67,](#)

sciences manufacturing job tax credits. These proposed changes would generally apply to tax years beginning on or after January 1, 2025, with some exceptions. (See SALT Weekly for [August 23 and August 30, 2024](#).)

New York: An industry trade association for catalog, online, direct mail and other remote-selling merchants and their suppliers has filed a motion for summary judgment in the New York Supreme Court for Albany County, seeking to have New York's recently adopted regulations concerning PL 86-272 and its application to activities conducted over the internet (20 N.Y.C.R.R Section 102.10)¹⁹ declared invalid as they conflict with federal law, namely PL 86-272.²⁰ Alternatively, if the regulation is not declared invalid in whole or in part, the trade association is seeking to have the regulation declared invalid to the extent it applies to any time period before the date of the regulation's publication, so as not to violate its members' due process rights. (See SALT Weekly for September 6 and September 13, 2024.)

New York City: On September 12, 2024, the New York City Department of Finance (NYC DOF) issued [revised guidance](#) on its plans for finalizing the Business Corporation Tax (BCT) regulations. The NYC DOF is in the process of developing regulations to implement the BCT, which will be based on the recent New York State regulations promulgated in December 2023. Similar to its initial release, the NYC DOF's revised guidance discusses various decision points and potential deviations from State regulations after considering feedback and comments received from industry. (See Tax Alert [2024-1732](#).)

Oregon: On August 1, 2024, the Oregon Secretary of State [announced](#) that [Measure 118](#) (Initiative Petition 17), qualified for the November 5, 2024, General Election ballot. If approved by a majority of voters, starting in 2025, Measure 118 would impose a new 3% minimum tax on corporations with gross sales exceeding \$25 million. The new corporate minimum tax would be in addition to the current minimum tax regime. (See SALT Weekly for [July 26 and August 2, 2024](#).)

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¹⁹ For more on the New York regulations, see Tax Alerts [2024-0140](#) and [2022-0734](#).

²⁰ *American Catalog Mailers Association v. N.Y. Dept. of Taxn. And Finance, motion for summary judgement*, Index No.: 903320/2024 (N.Y. S.Ct., Albany Cnty., Aug. 29, 2024).