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State Tax Alert  
10/03/2025

## **State corporate income and franchise tax developments in the third quarter of 2025**

This alert provides a summary of the significant legislative and administrative actions that affected US state and local income/franchise and other business taxes for the third quarter of 2025. These developments are compiled from the EY Indirect/State Tax Weekly and Indirect/State Tax Alerts issued during that period.

### **Key developments**

#### **Colorado enacts tax changes impacting businesses and individuals during special legislative session**

On August 28, 2025, Colorado Governor Jared Polis signed into law several bills that were passed during a special legislative session convened to address a state budget deficit. The following changes impact state income taxes.

**Qualified business income (QBI) deduction addback:** The federal QBI deduction, which was enacted in 2017 as part of the Tax Cuts and Jobs Act (TCJA), allows eligible self-employed individuals and owners of pass-through entities (PTEs) to deduct up to 20% of their QBI. The "One Big Beautiful Bill Act" (OBBBA)<sup>1</sup> made the QBI deduction permanent and increased the existing phase-out range. In 2020, the Colorado legislature enacted a QBI addback, which initially applied to 2021 and 2022 and was later extended through 2025. [HB 25B-1001](#) makes permanent the state's QBI addback in alignment with the OBBBA changes.

**Foreign jurisdictions:** Colorado law requires corporations incorporated in tax havens to be included in a combined report. The state uses a "listed jurisdiction" approach to defining a "tax haven." [HB 25B-1002](#), for tax years beginning on or after January 1, 2026, expands the list to include Hong Kong, Ireland, Liechtenstein, the Netherlands, and Singapore.

Applicable to tax years beginning on or after January 1, 2026, [HB 25B-1002](#) creates an addback to federal taxable income in an amount equal to the federal deduction for foreign-derived deduction eligible income (FDDEI) under Internal Revenue Code (IRC) Section 250. [HB 25B-1002](#) also removes restrictions on which IRC Section 78 dividends from foreign subsidiaries can be subtracted from federal taxable income. This change allows all IRC Section 78 dividends to be deducted regardless of foreign jurisdiction.

**Sales of certain tax credits:** Beginning in Colorado's fiscal year 2025-26, [HB 25B-1004](#) authorizes the Colorado Treasurer (Treasurer) to sell insurance premium tax credits to insurance companies and corporate income tax credits to corporations that do business in Colorado, subject to procedures established by the state Treasury Department. The purchase price for the tax credit certificates must be set at the greater of a percentage determined in a manner consistent with market conditions as of the offer date established by the Treasurer or an independent third-party, or 80% of the certificate amount. For tax credit certificates issued in the state's fiscal years 2025-26, the Treasurer, in consultation with the Governor's Office of State Planning and Budget, may determine the calendar years in which the taxpayer may claim the credit. The tax credits are non-refundable but may be carried forward through calendar year 2033. (See Tax Alert [2025-1788](#).)

#### **California finalizes amendments to its market-based sourcing rules, applicable for tax years beginning on or after January 1, 2026**

The California Franchise Tax Board's (FTB) [amendments](#) to its market-based sourcing rules for receipts from services and intangibles for California corporate franchise and income tax purposes (Cal. Code of Regs., tit. 18,

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<sup>1</sup> P.L. 119-21. For a discussion of the state income tax implications of the OBBBA, see Tax Alert [2025-1487](#).

(CCR) Section 25136-2) were [approved](#) on August 27, 2025. The amended regulations apply to tax years beginning on or after January 1, 2026. Changes to the rule do the following.

**Rules for assignment of sales of services:** The changes revamp the FTB's rules for assigning sales of services to businesses and government entities by providing rebuttable presumptions as to the manner in which various kinds of service revenues should be sourced.

The amended regulations adopt the following presumptive methods for the sourcing of services:

1. Services that are related to real property are sourced to the location of the real property.
2. Services that are related to tangible personal property (TPP) are sourced to the location of the TPP at the time the services were performed, unless the TPP is directly or indirectly delivered to the customer after the services, in which case the services are sourced to the location of delivery.
3. Services that are related to intangible property are sourced to the location where the intangible property is used by the customer.
4. Services related to individuals are sourced to the location of the individual at the time the services are performed.

**Asset management fees:** The FTB has added a provision to the regulations that requires taxpayers to source revenues for asset management services to the location of the "beneficial owner," essentially requiring a "look through" to the location of the investors that are invested in the funds. The provision adds a "value of interest" methodology and mathematical explanation with examples to source these fees to the location of the beneficial owners. The amendments also add definitions related to the sourcing of asset management fees, including guidelines for which services are defined as "asset management services" for purposes of the regulations.

**Large volume professional services:** The amendments include a provision for large-volume providers of professional services<sup>2</sup> that is intended to act as a safe harbor. If a taxpayer provides substantially similar professional services to more than 250 customers, gross receipts from those services will be assigned to the customer's billing address. If, however, more than 5% of the taxpayer's receipts from sales of that service are derived from a single customer, the receipts from this customer do not fall under the rule.

**Services provided under US government contracts when the contract cannot be disclosed:** As stated above, the amendments to the rules for the assignment of sales of services include those provided to government entities. In addition, the FTB has created a new rule to specifically address services to the US government "when the government contract cannot be disclosed and no information about the service is publicly available." Under this new rule, the receipts are assigned to California based on the ratio of the population of California over the total US population.

**Sourcing of sales of marketable securities for broker dealers:** The amendments address the sourcing of sales of marketable securities including a definition of "customer" that is specific to these sales. For purposes of sourcing sales of marketable securities, the customer is the person, without regard to intermediaries, who gains the greatest possession of economic rights in the marketable securities. This provision includes a cascading set of rules to source the sales, including a provision that determines the customer's location by reasonable approximation if neither the customer's billing address nor the customer's commercial domicile can be determined. (See Tax Alert [2025-1848](#).)

## Legislative developments

**Federal:** [P.L. 119-21](#) (OBBBA) (enacted July 4, 2025) contains numerous tax provisions, including extensions of many TCJA provisions expiring at the end of 2025. Provisions of OBBBA will likely affect income taxes imposed by US state and local governments. The effects of OBBBA will depend, in the immediate term, on how

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<sup>2</sup> The amendments define professional services as management services, tax services, payroll and accounting services, audit and attest services, actuary services, legal services, business advisory consulting services, technology consulting services, services relating to brokering securities that generate commission income, investment advisory services other than asset management services, and services related to the underwriting of debt or equity securities.

the states currently conform to federal tax law. Thereafter, state lawmakers may modify their tax laws in response to the IRC changes. (See Tax Alerts [2025-1391](#) and [2025-1487](#).)

**California:** [AB 1138](#) (enacted July 3, 2025) for purposes of the motion picture tax credit 3.0 and 4.0, as well as the certified studio tax credit, expands the definition of “qualified taxpayer” to include a single member limited liability company (SMLLC) that is a disregarded entity for tax purposes. In addition, a qualified taxpayer that is a disregarded SMLLC may elect to assign any portion of a motion picture tax credit to one or more affiliated corporations. AB 1138 also enhances the state’s motion picture tax credit 4.0 and the certified studio tax credit, which may be claimed against the state’s corporate income taxes. Effective for tax years beginning on or after January 1, 2025, for purposes of the motion picture tax credit 4.0, AB 1138 expands the definition of qualified motion picture to include new live action and animated series with episodes that average 20 minutes, animated films, and large-scale competition shows. AB 1138 also: (1) modifies provisions on how to qualify as a qualified motion picture; (2) modifies the limit on the amount of credits available to a recurring TV series; and (3) increases the applicable credit percentage for the certified studio construction project credit and the motion picture credit 4.0; among other changes. AB 1138 took effect immediately, with various applicable dates. (See SALT Weekly for [July 18](#) and [July 25, 2025](#).)

**SB 254** (enacted September 19, 2025) establishes a tax credit for qualified expenditures related to transmission projects. The credit may be claimed against the corporate and individual income taxes in an amount equal to 20% of qualified expenditures paid or incurred by a qualified taxpayer during the tax year, not to exceed \$20 million per qualified taxpayer per year. The credit can be claimed for tax years beginning on or after January 1, 2026, and before January 1, 2036. The amount of credit that exceeds the taxpayer’s net tax may be carried over up to eight years. If the credit under this provision is claimed by the qualified taxpayer, an otherwise allowed deduction under this part for any amount of qualified expenditures paid or incurred by the qualified taxpayer must be reduced by the amount of the qualified expenditures taken into account in calculating the credit allowed. (See SALT Weekly for September 12 and September 19, 2025.)

**Connecticut:** [HB 7166](#) (enacted July 1, 2025) modifies the state’s tax credits for film and digital medial production and film infrastructure development. The law exempts eligible production companies that produce interactive websites for public distribution or exhibition from the following requirements that production companies otherwise must meet in order to be eligible for the credit: the company (1) conducts at least 50% of its principal photography days in Connecticut, or (2) expends at least 50% or at least \$1 million of its postproduction costs within the state. These changes took effect on, and apply to, applications open or filed on or after, July 1, 2025. HB 7166 also repeals the tax credit for digital animation production companies, effective from passage. (See SALT Weekly for [July 4](#) and [July 11, 2025](#).)

**District of Columbia:** [B26-0340](#) (enacted September 3, 2025), for combined group whose net deferred tax liability was increased as a result of the enactment of the combined reporting provisions, delays when that combined group can deduct a portion of the net increase. The change replaces the phrase “For the [seven]-year period beginning with the 15th year of the combined filing” with the phrase “For the first [seven] tax years beginning after December 31, 2029.” As an emergency bill, B26-0340 is only effective for a 90-day period and will expire on December 2, 2025. The permanent bill, [B26-0265](#), was approved by the Mayor on September 5, 2025 and on September 10, 2025 it was sent to Congress for a mandatory 30-in-session day review period. (See SALT Weekly for August 29 and September 5, 2025.)

**Louisiana:** [HB 665](#) (enacted July 1, 2025) extends the Angel Investor Tax Credit Program through June 30, 2026. HB 665 modifies eligibility requirements for the credit by requiring a business demonstrate that it is in a “high-growth” and “wealth-creating” business and that it is primarily engaged in one of the following business sectors: energy and process industries, logistics, aerospace and defense, agribusiness, professional services, life sciences and technology. In addition, HB 665 does the following: (1) eliminates a requirement that the credit be divided in equal portions for two years; (2) expands the qualifying investment to include investments in Louisiana Entrepreneurial Businesses located in parishes with a population of less than 50,000; among other changes. HB 665 has various effective/applicable dates. (See SALT Weekly for [July 18](#) and [July 25, 2025](#).)

**Maine:** [LD 48](#) (enacted July 1, 2025) updates the state’s date of conformity to the IRC to December 31, 2024 (from December 31, 2023). This change applies to tax years beginning on or after January 1, 2024, and to any

prior tax year specifically provided by the IRC of 1986 and amendments to the IRC as of December 31, 2024. LD 48 took effect upon approval. (See SALT Weekly for [July 4 and July 11, 2025](#).)

**LD 554** (enacted July 1, 2025), effective for tax years beginning on or after January 1, 2025, allows certain corporations to deduct from taxable income/federal adjusted gross income an amount equal to any gain recognized by the taxpayer on the sale of an ownership interest greater than 50% in a qualified business if the business provides housing and was transferred to a cooperative affordable housing corporation or a municipal housing authority or its affiliate. The deduction may not exceed \$750,000. (See SALT Weekly for [August 1 and August 8, 2025](#).)

**LD 1951** (enacted July 1, 2025) expands eligibility and limitations for the major food processing and manufacturing facility expansion tax credit for tax years beginning on or after January 1, 2027. As of that date, a certified applicant is allowed a credit against income tax in an amount equal to 2% of the credit applicant's qualified investment. Taxpayers may not claim this credit for more than 20 years. LD 1951 takes effect 90 days after the legislative session ends. (See SALT Weekly for [August 1 and August 8, 2025](#).)

**LD 1275** (enacted July 1, 2025) amends the renewable chemicals tax credit by repealing certain eligibility requirements. Applicable to tax years beginning on or after January 1, 2026, taxpayers will no longer be required to demonstrate to the Department of Economic and Community Development that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used to produce renewable chemicals meet the eligible conditions specified in the Employment Security Law. Maine Laws 2025, ch. 477 (LD 1275), signed by the governor on July 1, 2025. (See SALT Weekly for [August 1 and August 8, 2025](#).)

**Missouri:** **HB 594** (enacted July 10, 2025) provides a subtraction for 100% of income reported as a capital gain for federal income tax purposes by an entity subject to corporate income tax. This deduction will be allowed for tax years beginning on or after January first of the tax year following the tax year in which the top individual income tax rate is equal to or less than 4.5%. (See SALT Weekly for [July 18 and July 25, 2025](#).)

**New Jersey:** **A. 5687** (enacted August 13, 2025) establishes the Next New Jersey Manufacturing Program, which will be administered by the New Jersey Economic Development Authority (EDA). To be eligible for the credit, an eligible business must: (1) make, acquire or lease a capital investment at a qualified business facility of at least \$10 million; (2) create at least 20 new full-time jobs in New Jersey; (3) provide a median salary for the full-time jobs at the qualified business facility that is at least 120% of the median salary for manufacturing employees in the county in which the project is located; (4) be primarily engaged in manufacturing or clean energy manufacturing at the qualified business facility; among other requirements. Upon project completion an eligible business will be allowed a tax credit equal to the lesser of: (1) 0.1% of the eligible business's total capital investment multiplied by the number of new full-time jobs, (2) 25% of the eligible business's total capital investment, or (3) \$150 million. The EDA may establish one or more bonus credits awards, not to exceed a total of 5% of the award approved. The tax certificate holder may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the period it was issued or the next three successive tax periods. The tax certificate holder or transferee may carry forward unused credits for up to 10 years, after which the unused credit will expire. A.5687 took effect immediately. (See SALT Weekly for [August 15 and August 22, 2025](#).)

**Wisconsin:** **SB 45** (enacted July 3, 2025) establishes a film tax credit, with an aggregate \$5 million cap per year for a project and a \$1 million cap for any single applicant per year. The credit is available for tax years beginning after December 31, 2025. (Tax Alert [2025-1504](#).)

## Administrative developments

**Alabama:** The Alabama Department of Revenue (AL DOR) issued [guidance](#) on the state's tax treatment of research and experimental (R&E) expenditures.<sup>3</sup> Effective for tax years beginning on or after January 1, 2024, Alabama decouples from the TCJA amendments to IRC Section 174 related to amortization of R&E expenditures; instead, taxpayers may deduct the R&E expenditures or treat them as deferred expenses in the same manner as

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<sup>3</sup> Ala. Dept. of Rev., Notice Research and Experimental Expenditures (September 11, 2025).

provided by IRC Section 174 before tax year 2022.<sup>4</sup> The guidance explains that in claiming this deduction on an Alabama return, the amount amortized and deducted on the federal return must be added back to taxable income. Add back will have to be made for each year until the remaining amount is fully amortized. OBBBA allows taxpayers to fully expense domestic R&E expenditures for tax periods beginning after December 31, 2024; it also allows taxpayers to accelerate the deduction of (“write-off”) previously capitalized and unamortized amounts from 2022 to 2024. Taxpayers making an election under OBBBA Section 70302(f)(2)(ii) — i.e., to deduct remaining unamortized amounts with respect to such expenditures over two-taxable years beginning with the first tax year beginning after December 31, 2024 — will have to add back these expenses to Alabama income to the extent the expenses were previously deducted on an Alabama return. (See SALT Weekly for September 12 and September 19, 2025.)

**California:** The FTB issued a legal ruling<sup>5</sup> discussing the treatment of Deferred Intercompany Stock Account (DISA) in certain nonrecognition transactions. The FTB [noted](#) that this ruling will be of interest to taxpayers in combined reporting groups where there is a DISA with respect to a member corporation’s stock and the stock is transferred in an IRC Section 355 nonrecognition transaction. (See SALT Weekly for [August 1](#) and [August 8, 2025](#).)

**Illinois:** The Illinois Department of Revenue (IL DOR) adopted [amendments](#) to 86 Ill. Adm. Code 100.3405,<sup>6</sup> which modify the apportionment method for investment income of financial organizations as provided by Pub. Act 103-0592. The adopted changes provide guidance on which receipts from investment assets and activities and trading assets and activities are included in the receipts factor for tax years ending before December 31, 2025, and for tax years ending on or after December 31, 2024. Additionally, adopted amendments to 86 Ill. Adm. Code 100.9710, modify the meaning of entities engaged in the business of a “savings bank” or a “savings and loan association,” and update the limit for an entity engaged in business as a “small loan company” to making loans in a principal amount not exceeding \$40,000 (from \$25,000). The amended regulation took effect on September 12, 2025. (See SALT Weekly for September 26 and October 3, 2025.)

The IL DOR issued guidance on the time-limited [tax amnesty program](#) it will administer from October 1, 2025, through November 17, 2025. Amnesty applies to taxes administered by the IL DOR, including income tax, that were due for any tax period ending after June 30, 2018, and before July 1, 2024. The IL DOR will waive all interest and penalties otherwise due for those who participate in, and comply with the terms of, the amnesty program and will not seek civil or criminal prosecution. (See Tax Alert [2025-1928](#).)

The Illinois Secretary of State also will administer a time-limited franchise [tax amnesty program](#) from October 1, 2025 through November 17, 2025. Franchise tax amnesty applies to all taxpayers owing a franchise tax or license fee imposed under Art. XV of the Business Corporation Act of 1983 (Art. XV) for any tax period ending after June 30, 2019, and on or before June 30, 2025. The Secretary will waive applicable penalties and interest and will not pursue civil or criminal prosecution for the time period that amnesty has been granted. (See Tax Alert [2025-1926](#).)

**Maryland:** The Maryland Comptroller in its “[60-Day Report](#)” (September 5, 2025) on the impacts the OBBBA will have on the state, explains that the “State will decouple from tax year 2025 and any applicable prior tax years for amendments to (1) R&E expenses; (2) the new qualified production property depreciation under [IRC] Section 168(n); and (3) the business interest deduction limitation.” Absent legislative action, the state will conform to the federal amendments in tax year 2026 and after. (See SALT Weekly for August 29 and September 5, 2025.)

**Missouri:** The Missouri Department of Revenue (MO DOR) adopted<sup>7</sup> amendments to regulation 12 CRS 10-2.436 “SALT Parity Act Implication,” to provide guidance on the opt-out election. Under the opt-out election, any member of an affected business entity may elect to not have tax imposed on the affected business entity with respect to the entity’s separately and nonseparately computed items, to the extent such items are allocable to that member. For any year the opt-out election applies, the opt-out member is not eligible for tax credits that would have otherwise been granted. The credits will be redistributed among the non-opt-out members. In addition,

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<sup>4</sup> Ala. Laws 2025, Act 400 (HB 163), signed by the governor on May 14, 2025.

<sup>5</sup> Cal. FTB, [Legal Ruling 2025-01](#) (July 30, 2025).

<sup>6</sup> Ill. Dept. of Rev., amendments to 86 Ill. Adm. Code 100.3405 and 100.9710 (Ill. Register, Vol. 49, Issue 39, September 26, 2025).

<sup>7</sup> Mo. Dept. of Rev., [adopted regulation 12 CRS 10-2.436](#) (Mo. Register, Vol. 50 No. 16, Aug. 15, 2025).

for a tax year in which the opt-out election applies, the entity in computing tax due, shall remove all opt-out members' allocable items such as income, deductions or any other relevant items. Addition and subtraction modification are determined as though the opt-out member's allocable items did not exist. (See SALT Weekly for [August 15 and August 22, 2025](#).)

**Michigan:** The Michigan Department of Treasury (MI DOT), in response to changes made by the OBBBA to the federal limitation on the state and local tax (SALT) deduction, is providing limited relief to certain taxpayers that made the flow-through entity (FTE) tax election.<sup>8</sup> Under Michigan law, an FTE may elect in to the Michigan FTE tax by making a payment of tax on or before the last day of the ninth month after the end of the tax year. Generally, the election is binding for three tax years. Because some taxpayers may have made the FTE election payments before the OBBBA was enacted, the MI DOT is offering limited relief, allowing such taxpayers to request a refund of the PTE tax payments. Taxpayers that request and received this relief will not be deemed to have made an election for that tax year. Relief is subject to certain conditions. (See SALT Weekly for September 12 and September 19, 2025.)

**Rhode Island:** In [Advisory 2025-18](#) (September 12, 2025), the Rhode Island Department of Revenue (RI DOR) stated that the State decouples from OBBBA changes to domestic R&E expenditures, specifically the federal treatment of accelerated expensing of domestic R&E expenditures and from federal allowance for small business to retroactively accelerate expensing of R&E expenditures for tax years 2022, 2023 and 2024. The RI DOR noted that under legislation<sup>9</sup> enacted earlier this year, Rhode Island decouples from OBBBA. (See SALT Weekly for September 12 and September 19, 2025.)

**Texas:** In a recently issued memo, the Texas Comptroller of Public Accounts provides guidance on the treatment of sales-type leases for purposes of determining the applicable franchise tax rate and eligible expenses for the cost of goods sold (COGS) deduction. The Comptroller further explained that sales-type leases are considered a sale for purposes of determining eligibility for the reduced franchise tax rate and tangible personal property transferred under a sales-type lease is considered goods sold when computing the COGS deduction.<sup>10</sup> (See SALT Weekly for [August 15 and August 22, 2025](#).)

## Developments to watch

**California:** [SB 711](#) (enacted October 1, 2025), for the first time in a decade, updates California's conformity to the IRC for both corporate and individual income tax purposes. Generally, California selectively incorporates specific provisions of the IRC as of January 1, 2015. SB 711, effective immediately, updates California's specified IRC conformity date to January 1, 2025. While California now conforms to many of the federal tax changes enacted since January 1, 2015, the state continues to decouple from several changes enacted by the TCJA. California also does not conform to the changes made by the OBBBA, as it was enacted on July 4, 2025.

[SB 302](#) (enacted October 1, 2025) excludes from a taxpayer's gross income refund payments for specified federal environmental credits and payments received by a transferor as consideration for a transfer of the value of such credits. Applicable to tax years beginning on or after January 1, 2026, and before January 1, 2031, gross income does not include the following: (1) any payment made under IRC Section 6417, as added by the Inflation Reduction Act (IRA), related to elective payments of applicable federal environmental credits (instead IRC Sections 6417(c)(1)(C) and (c)(1)(D) apply), and (2) any payment made under IRC Section 6418, as added by the IRA, relating to the transfer of certain federal environmental credits (instead IRC Sections 6418(c)(1)(A) and (c)(1)(B) apply and deductions are not allowed for any amount paid in consideration of such transfer).

**San Francisco, CA:** The San Francisco Office of Treasurer & Tax Collector in response to feedback from interested parties issued updated proposed sourcing regulation, Tax Collector Regulation 2025-1 (hereafter, proposed regulations). The proposed regulations would provide guidance on allocating gross receipts from

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<sup>8</sup> Mich. Dept. Treas., "Notice Regarding Flow-Through Entity Tax Election Relief in Light of Pub. L. 119-21, One Big Beautiful Bill Act (OB3)" (updated September 26, 2025).

<sup>9</sup> HB 5076 Sub A (enacted June 29, 2025), for tax years beginning on or before January 1, 2025, requires a corporate taxpayer to add to its taxable income the amount of any income, deduction or allowance that would be subject to federal income tax but for the enactment OBBBA.

<sup>10</sup> Tex. Comp. of Pub. Acct., [STAR No. 202507015M](#) (July 31, 2025).

services, intangible property and sales of financial instruments to the city for gross receipts tax purposes. (See SALT Weekly for [July 18 and July 25, 2025](#).)

**Michigan:** Proposed bill ([HB 4961](#)) would update Michigan's date of conformity to the IRC to the IRC in effect on January 1, 2025 (from January 1, 2018) or, at the option of the taxpayer, in effect for the tax years. In addition, for tax years beginning after December 31, 2024, a taxpayer's federal taxable income (FTI)/adjusted gross income (AGI) would be calculated as if: (1) IRC Sections 168(n) and 174A were not in effect, and (2) IRC Sections 163(j), 168(k), 174 and 179 were in effect on December 31, 2024. For tax years beginning after January 1, 2021, a taxpayer's FTI/AGI would be calculated as though the transition rules under Section 70302 of OBBBA, including provisions related to IRC Section 174A, do not apply. In order for HB 4961 to take effect, the following bills must be enacted: HB 4183, HB 4951 and HB 4968.

**New Jersey:** An industry trade association for catalog, online, direct mail and other remote-selling merchants and their suppliers has filed a complaint in the New Jersey Tax Court, seeking to have declared invalid New Jersey's recently adopted regulations concerning P.L. 86-272 and its application to activities conducted over the internet (N.J.A.C. 18:7-1.9 and N.J.A.C. 18:7-1.9A), as they conflict with federal law under P.L. 86-272. *American Catalog Mailers Association v. Director, N.J. Division of Taxn.*, No. 010021-2025 (complaint filed September 12, 2025). (See SALT Weekly for September 12 and September 19, 2025.)

**Texas:** The Texas Comptroller of Public Accounts proposed amendments to [34 Tex. Admin. Code Section 3.587](#) "Margin: Total Revenue," which would modify general rules for reporting total revenue, amend provisions for computing total revenue, and modify existing and add new provisions describing exclusions from total revenue. Proposed changes also would revise existing and add new definitions.

## Contacts

For additional information, contact:

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|--------------------|--|
| • Karen Currie     | <a href="mailto:karen.currie@ey.com">karen.currie@ey.com</a>         |
| • Dan Lipton       | <a href="mailto:daniel.lipton@ey.com">daniel.lipton@ey.com</a>       |
| • Todd Carper      | <a href="mailto:todd.carper@ey.com">todd.carper@ey.com</a>           |
| • Christy Rolland  | <a href="mailto:christy.rolland@ey.com">christy.rolland@ey.com</a>   |
| • Karen Ryan       | <a href="mailto:karen.ryan@ey.com">karen.ryan@ey.com</a>             |
| • Keith Anderson   | <a href="mailto:keith.anderson02@ey.com">keith.anderson02@ey.com</a> |
| • Jess Morgan      | <a href="mailto:jessica.morgan@ey.com">jessica.morgan@ey.com</a>     |
| • Scott Roberti    | <a href="mailto:scott.roberti@ey.com">scott.roberti@ey.com</a>       |
| • Rebecca Bertothy | <a href="mailto:rebecca.bertothy@ey.com">rebecca.bertothy@ey.com</a> |

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