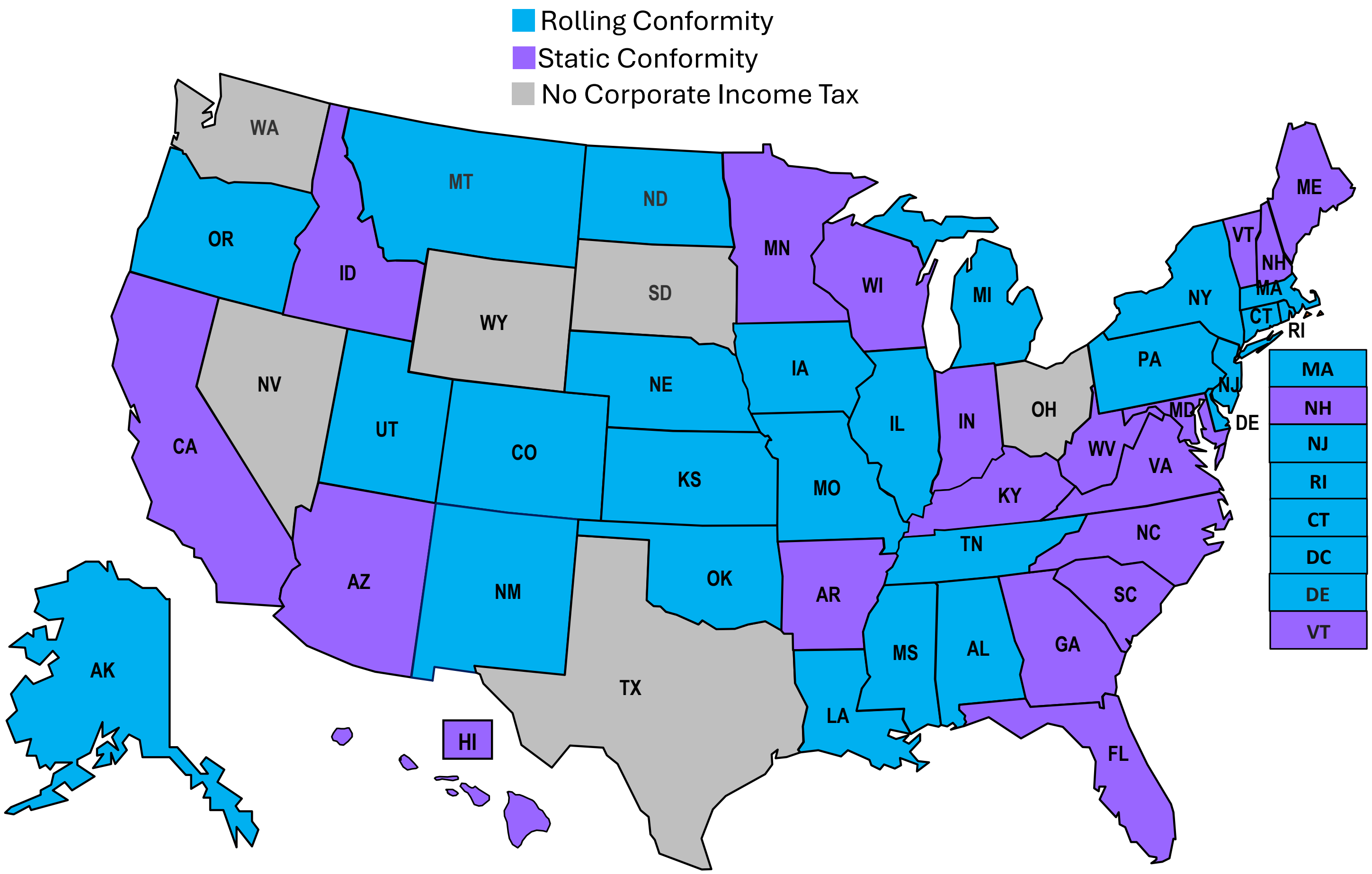
MAPS State Conformity With OBBBA

State CIT conformity to the Code:

- IRC Conformity
- Section 174
- Section 168(k)
- Section 168(n)
- Section 163(j)
- GILTI/NCTI

General IRC Conformity for State CITs



Arkansas: State only adopts certain provisions of IRC and IRC dates vary.

Maryland: Maryland is a static conformity state, because it does not conform if State revenue impact is over $5 million for a tax year.

Michigan: Taxpayers can use the IRC as of 1/1/25 or elect to use the IRC in effect for the tax year (H.B. 4961 (2025)).

New Jersey: Some IRC provisions are static.

Ohio: Ohio for other taxes is a static conformity state (e.g., municipal income tax).

Oregon: Static conformity for items not related to the computation of taxable income.

Pennsylvania: Status of rolling conformity currently subject to litigation.

Rhode Island: Rhode Island DOR has promulgated rules to preserve tax base, e.g., ADV 2025-18.

Texas: Texas is "technically" static with the IRC of 2007 for any IRC references.

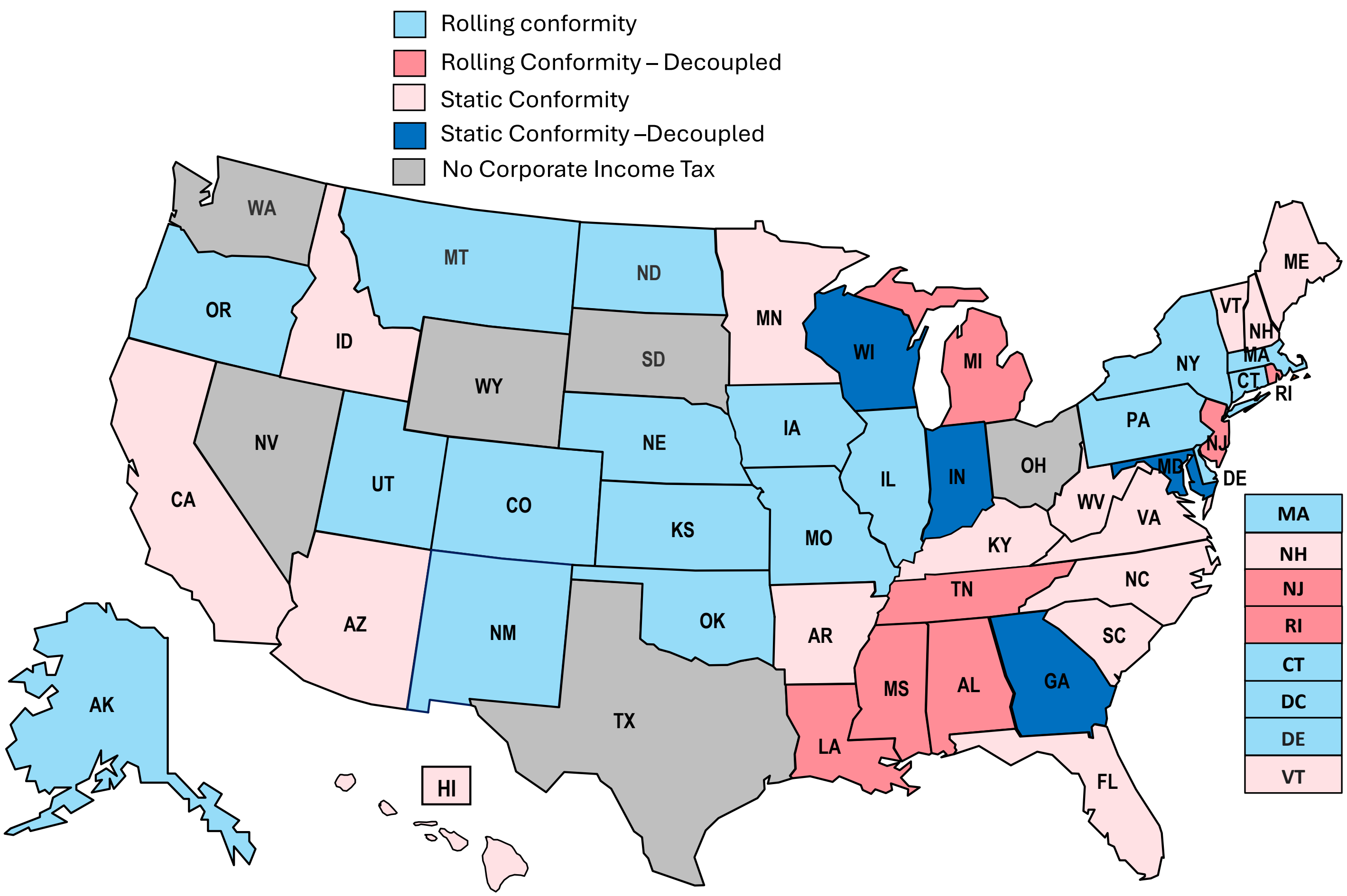
Virginia: Virginia is a static conformity state because it halted its rolling conformity status until 2027.

Disclaimer: This map generally groups the state CITs as either a rolling or static conformity state; however, many states have nuances on how they couple with certain IRC provisions. This information should be used for general guidance and not relied upon for compliance.

Source: Council On State Taxation (COST) – As of October 1, 2025

State Conformity with OBBBA – Sec. 174*

(Research & Experimental Expenditures)



Alabama: Alabama uses IRC § 174, as it existed in 2021.

Arkansas: Arkansas uses IRC § 174 as it existed on 1/1/2019.

California: California uses IRC §174 as it existed on 1/1/2025.

Louisiana: For tax years beginning on or after 1/1/2025 a taxpayer may elect to deduct research and development expenses. The deduction cannot duplicate the amortization taken for federal purposes.

Maryland: Is a static conformity state because if the revenue impact is over $5 million Maryland it will decouple from the change. It is listed as currently decoupled.

Michigan: MI decoupled from IRC 174 (H.B. 4961 (2025)).

Rhode Island: Rhode Island DOR issued ADV 2025-18 stating it decoupled from IRC § 174.

Tennessee: Tennessee uses I.R.C. § 174 as it existed immediately before the enactment of the Tax Cuts and Jobs Act of 2017.

Virginia: Virginia is a static conformity state because it has halted its halted its rolling conformity status until 2027.

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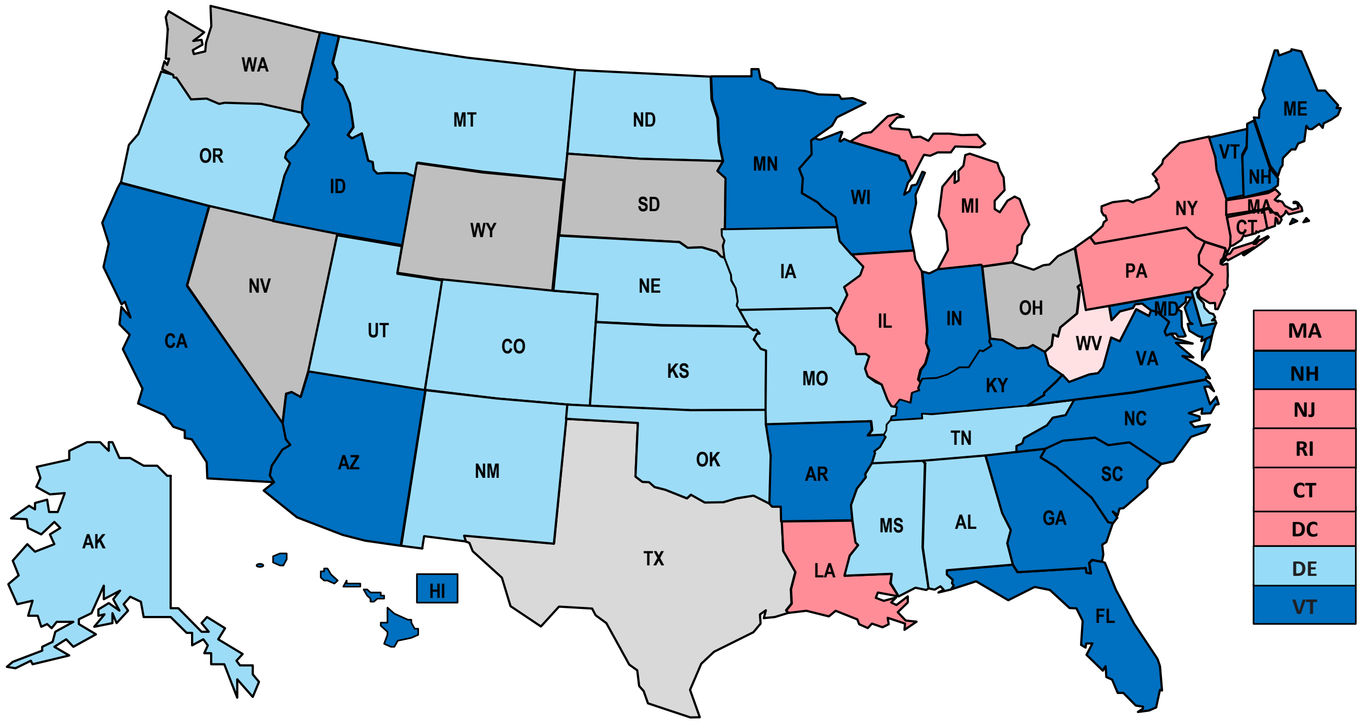
Source: Council On State Taxation (COST) – As of October 31, 2025
* This map incorporated IRC Section 174A

COST Council On State Taxation

State Conformity with OBBBA – Sec. 168(k)

(100% Equipment Bonus Depreciation)

- Rolling conformity
- Rolling Conformity – Decoupled
- Static Conformity
- Static Conformity –Decoupled
- No Corporate Income Tax



Alaska: Oil and gas companies are decoupled.

Arkansas: State only adopts certain provisions of IRC and IRC dates vary. It is decoupled from IRC §168(k).

Louisiana: For qualified property placed in service after 1/1/2025 a taxpayer may elect to take bonus depreciation. If elected by the taxpayer, any depreciation claimed by the taxpayer may not duplicate any depreciation or bonus depreciation allowable on the taxpayer's federal income tax return for the taxable year.

Maryland: Is a static conformity state because it does not conform if State revenue impact is over $5 million for a tax year.

Michigan: MI decoupled from IRC 168(k) (H.B. 4961 (2025)).

Virginia: Virginia is a static conformity state but has halted its rolling conformity status until 2027.

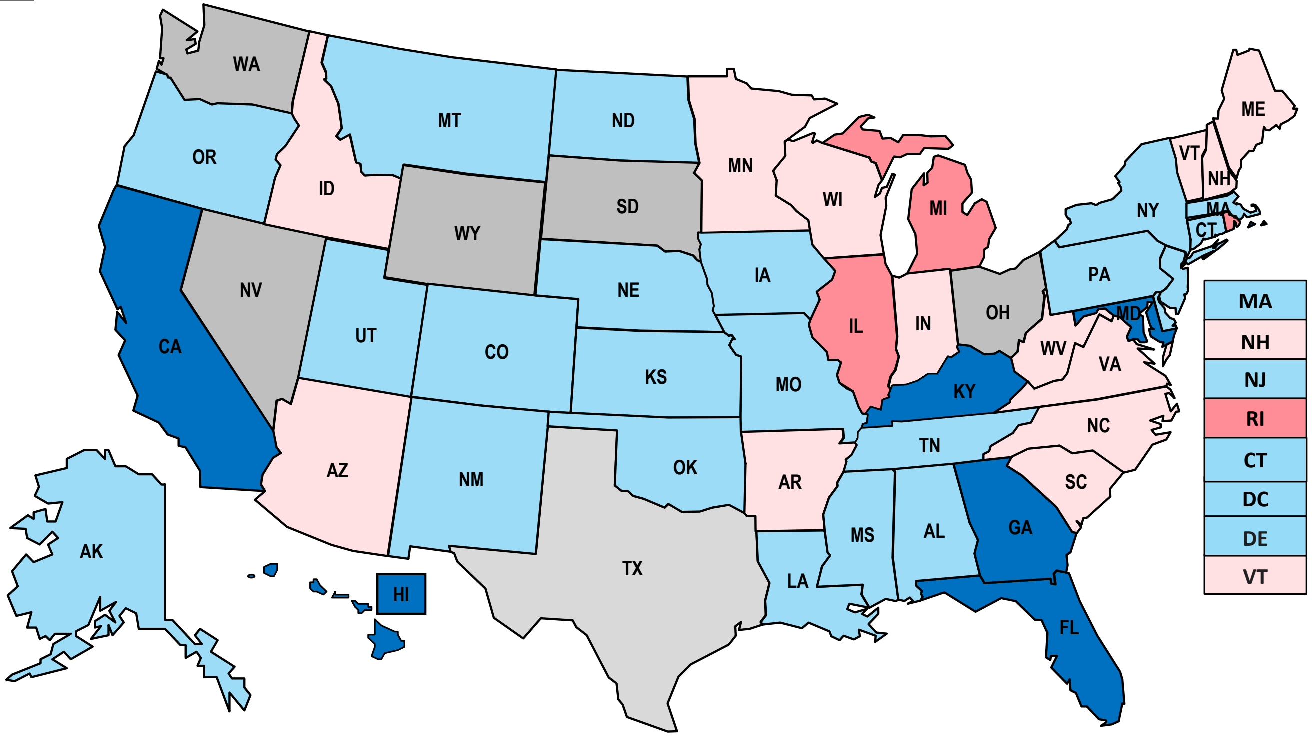
Disclaimer: This information should be used for general guidance and not relied upon for compliance.
Source: Council On State Taxation (COST) – As of October 31, 2025

COST
Council On State Taxation

State Conformity with OBBBA – Sec. 168(n)

(Production/Factory Expensing)

- Rolling conformity
- Rolling Conformity – Decoupled
- Static Conformity
- Static Conformity –Decoupled
- No Corporate Income Tax



Alaska: Oil and gas companies are decoupled.

Arkansas: Adopts selective sections of the Code as of a specific date.

Maryland: Is a static conformity state because it does not conform if State revenue impact is over $5 million for a tax year.

Michigan: MI decoupled from IRC 168(n) (H.B. 4961 (2025)).

Rhode Island: Rhode Island DOR has promulgated rules to preserve tax base, e.g., ADV 2025-18.

Virginia: Virginia is a static conformity state because it has halted its rolling conformity status until 2027.

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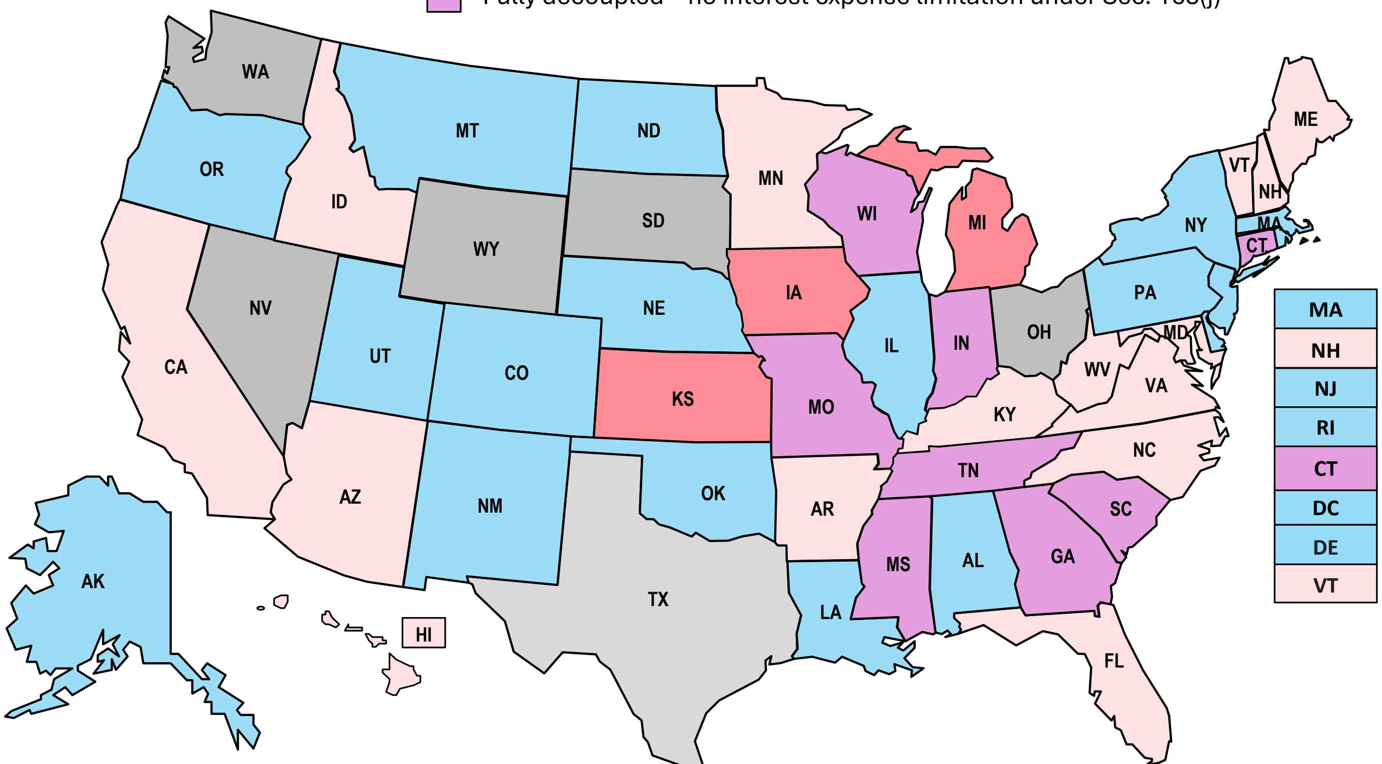
Source: Council On State Taxation (COST) - As of October 31, 2025

State Conformity with OBBBA – Sec. 163(j)

(Interest Expense Limitations)

- Rolling conformity
- Rolling Conformity – Decoupled
- Static Conformity
- No Corporate Income Tax
- Fully decoupled – no interest expense limitation under Sec. 163(j)



Arkansas: Adopts selective sections of the Code as of a specific date. It conforms to IRC §163(j) as it was in effect on 1/1/2017.

California: SB 711 enacted this year revised the conformity date to 1/1/2025.

Maryland: Is a static conformity state because it does not conform if State revenue impact is over $5 million for a tax year.

Michigan: MI decoupled from IRC 163(j) (H.B. 4961 (2025)).

Virginia: Virginia is a static conformity state because it has halted its rolling conformity status until 2027.

Disclaimer: This information should be used for general guidance and not relied upon for compliance.
Source: Council On State Taxation (COST) – As of October 31, 2025