

MAPS State Conformity With HR 1

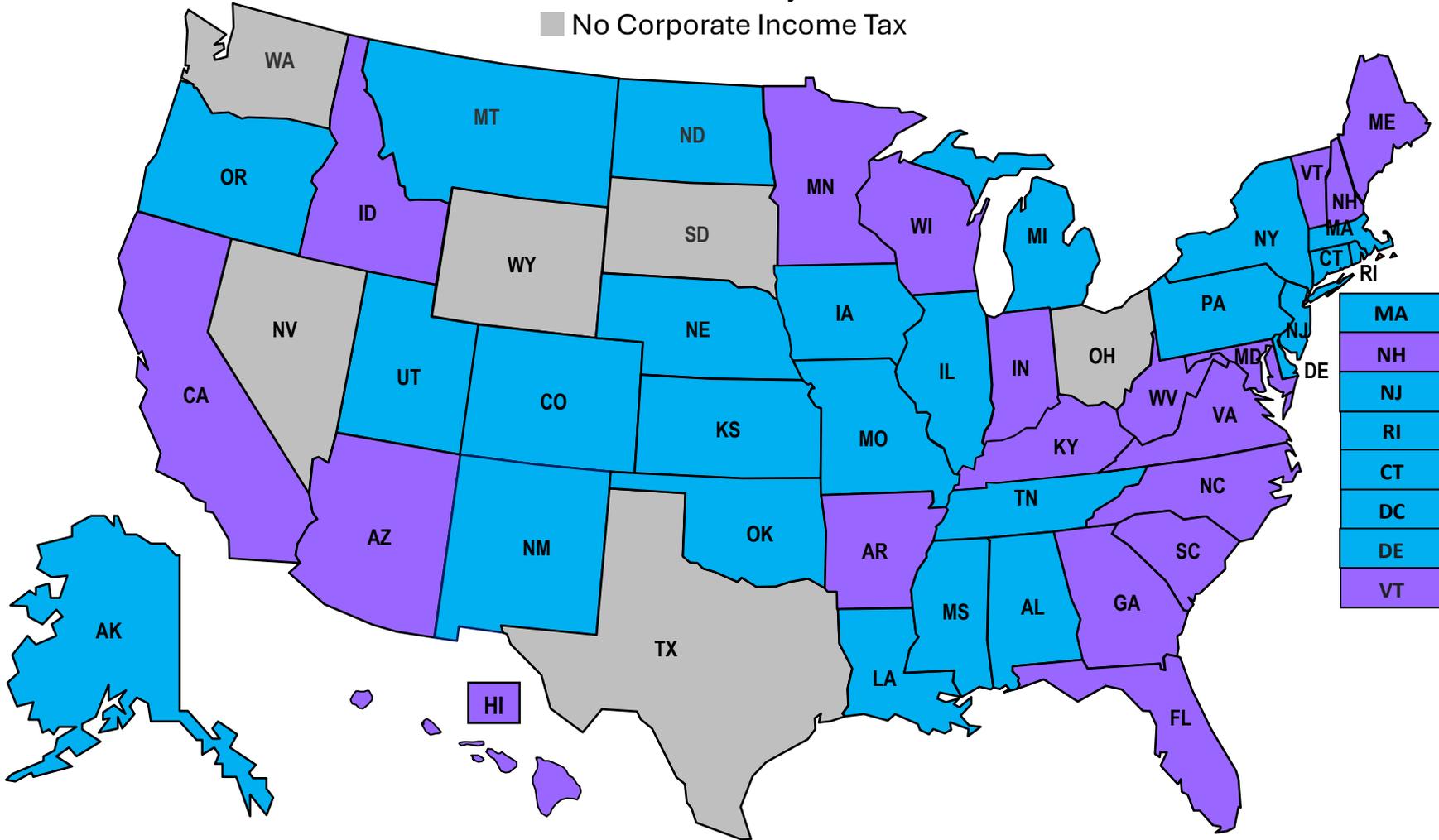
State CIT conformity to the Code:

- IRC Conformity
- Section 174
- Section 168(k)
- Section 168(n)
- Section 163(j)
- Taxation of Foreign Source Dividends
- TY2026: Taxation of IRC 951A (NCTI/GILTI)
- Inclusion of GILTI in Tax Base (Pre-TY2026)



General IRC Conformity for State CITs

- Rolling Conformity
- Static Conformity
- No Corporate Income Tax



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)).

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. See 280-RICR-20-25-16.

Virginia: Virginia is a static conformity state because it halted its rolling conformity status until 2027. During the 2026 General Assembly Session, the 2026 Amendments to the 2025 Appropriation Act replaced Virginia’s rolling conformity to the IRC with a fixed conformity date of December 31, 2025.

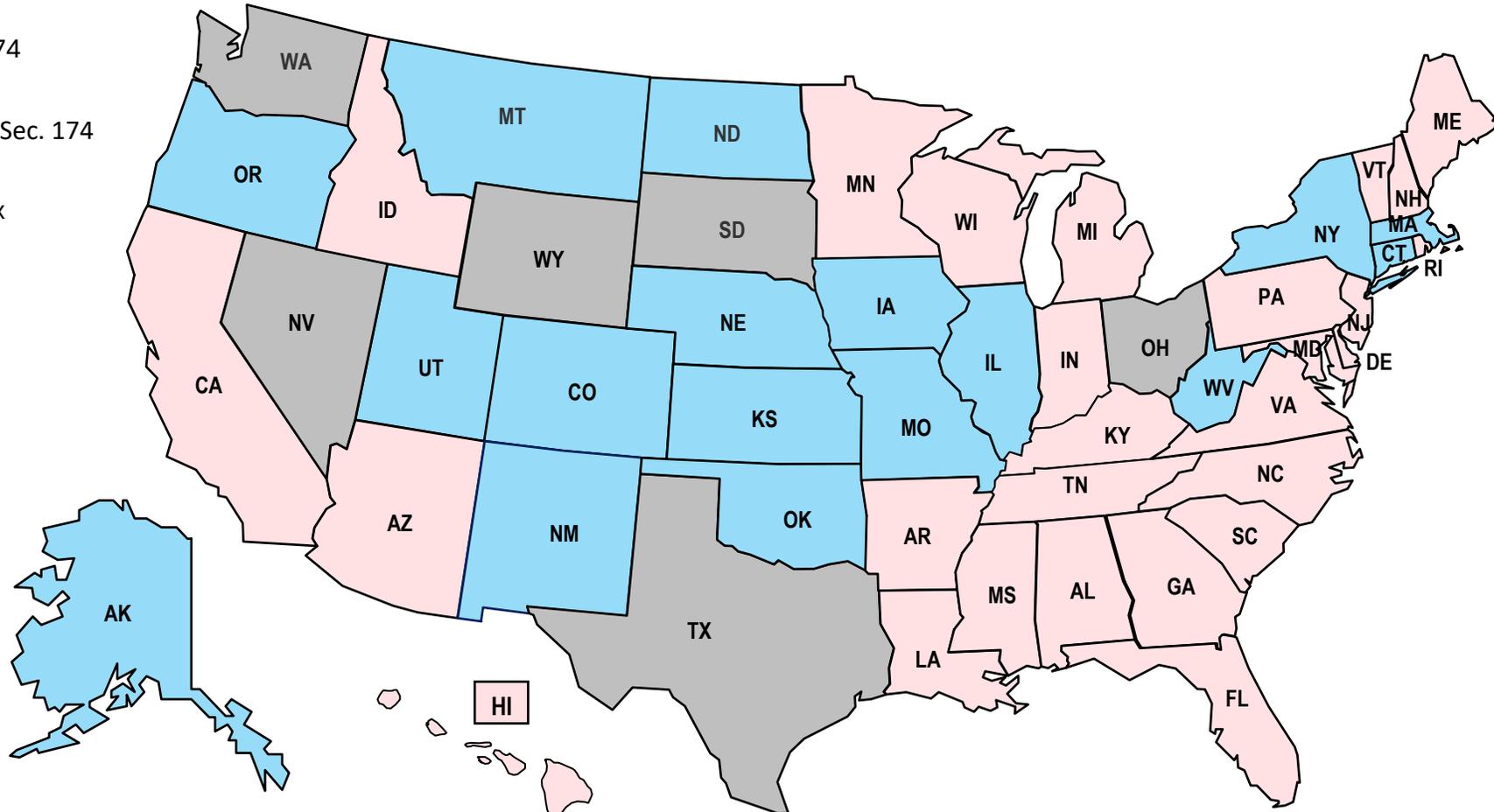
Disclaimer: This map generally groups the state CITs as either a rolling or static conformity state; however, many states have nuances on how they couple with certain IRC provisions. This information should be used for general guidance and not relied upon for compliance.

Source: Council On State Taxation (COST) – As of March 16, 2026

State Conformity with HR 1 – Sec. 174*

(Research & Experimental Expenditures)

- Conforms to HR 1 Sec. 174
- Does not conform to HR 1 Sec. 174
- No Corporate Income Tax



MA
NH
NJ
RI
CT
DC
DE
VT

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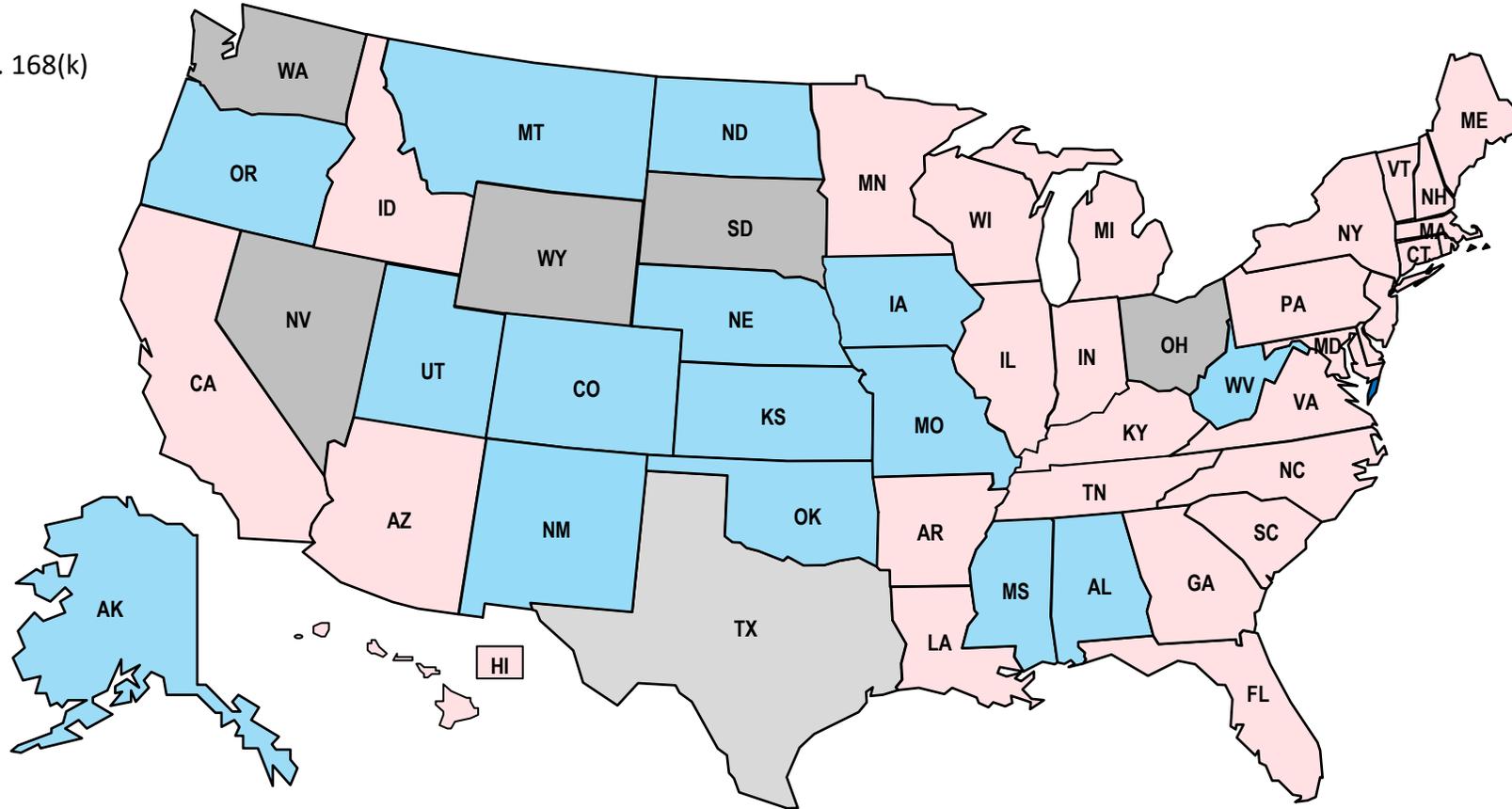
* This map incorporated IRC Section 174A

State Conformity with HR 1 – Sec. 168(k)

(100% Equipment Bonus Depreciation)

- Conforms to HR 1 Sec. 168(k)
- Does not conform to HR 1 Sec. 168(k)
- No Corporate Income Tax

New Mexico: SB 151 is effective for tax years 1/1/27. Decouples as of 1/1/27.



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State Conformity with HR 1 – Sec. 168(n)

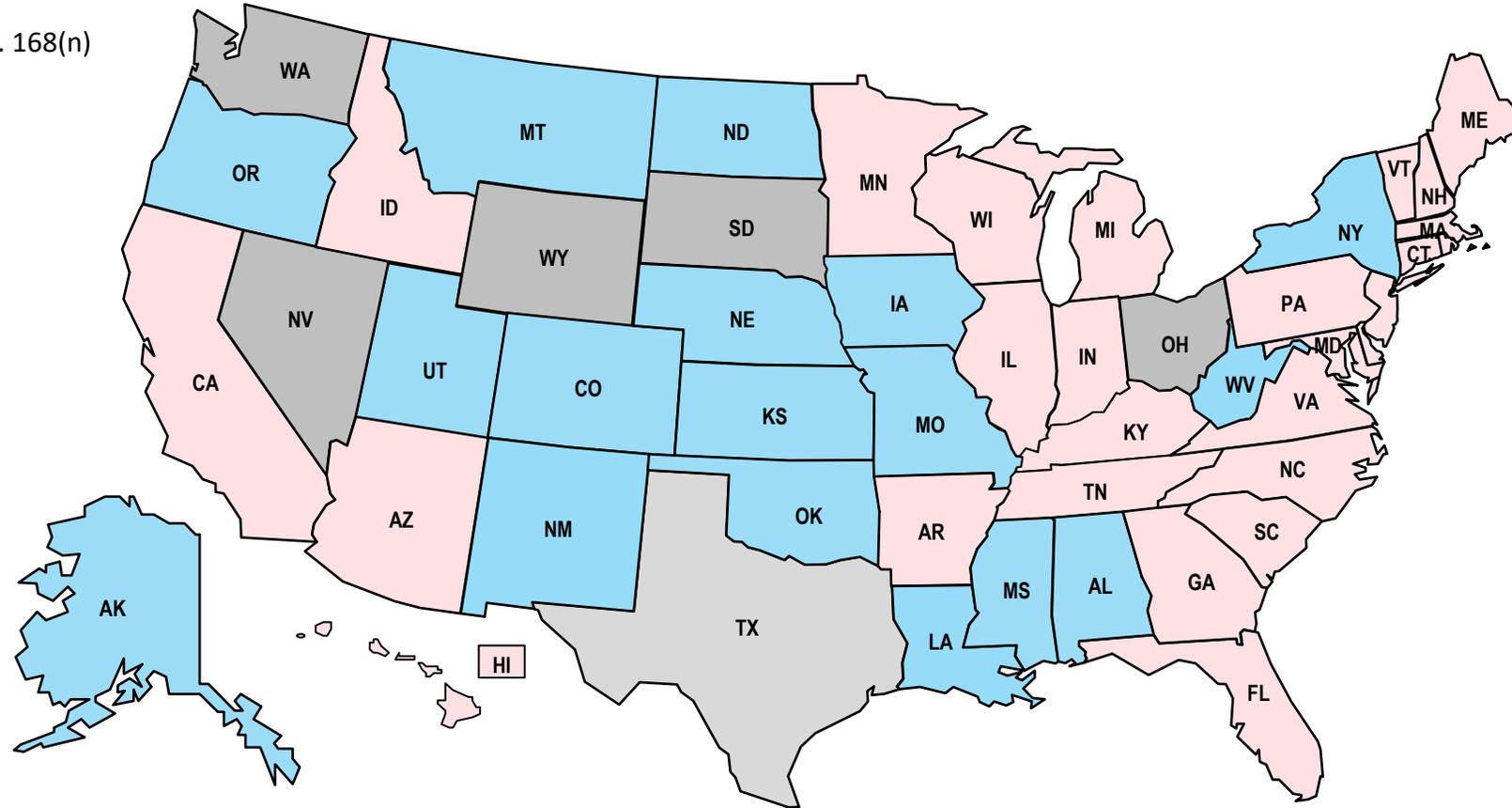
(Production/Factory Expensing)

 Conforms to HR 1 Sec. 168(n)

 Does not conform to HR 1 Sec. 168(n)

 No Corporate Income Tax

New Mexico: SB 151 is effective for tax years 1/1/27. Decouples as of 1/1/27.



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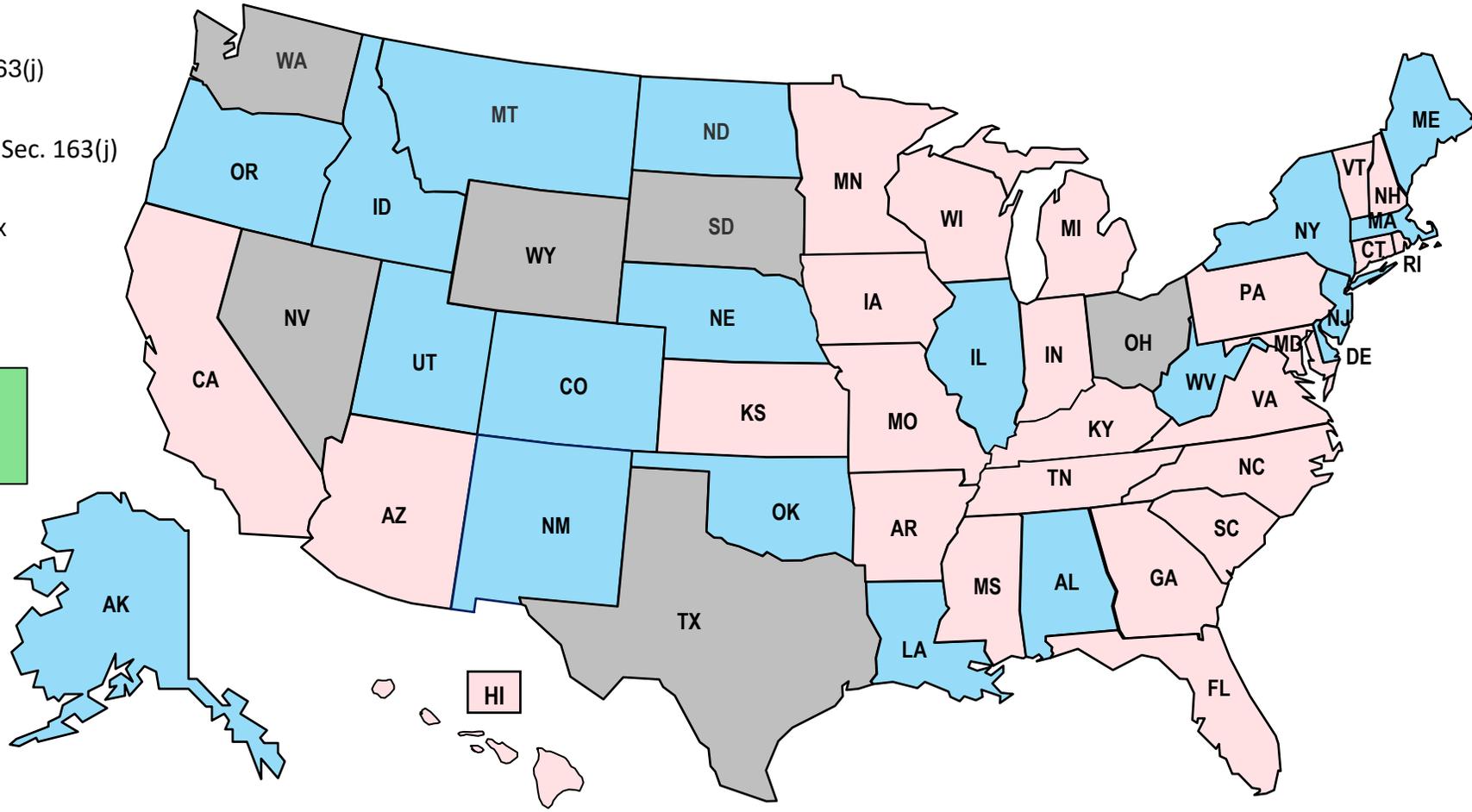
Source: Council On State Taxation (COST) - As of March 16, 2026

State Conformity with HR 1 – Sec. 163(j)

(Interest Expense Limitations)

- Conforms to HR 1 Sec. 163(j)
- Does not conform to HR 1 Sec. 163(j)
- No Corporate Income Tax

New Mexico: SB 151 is effective for tax years 1/1/27. Decouples as of 1/1/27.



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TY2026: Taxation of IRC 951A (NCTI/GILTI)

- No corporate income tax
- State taxes GILTI
- State taxes NCTI
- State does not tax NCTI/GILTI

Colorado: No, if the §951A income is derived from a listed tax haven country (such income is included in tax base). Includes 60% of NCTI after deduction for foreign taxes paid.

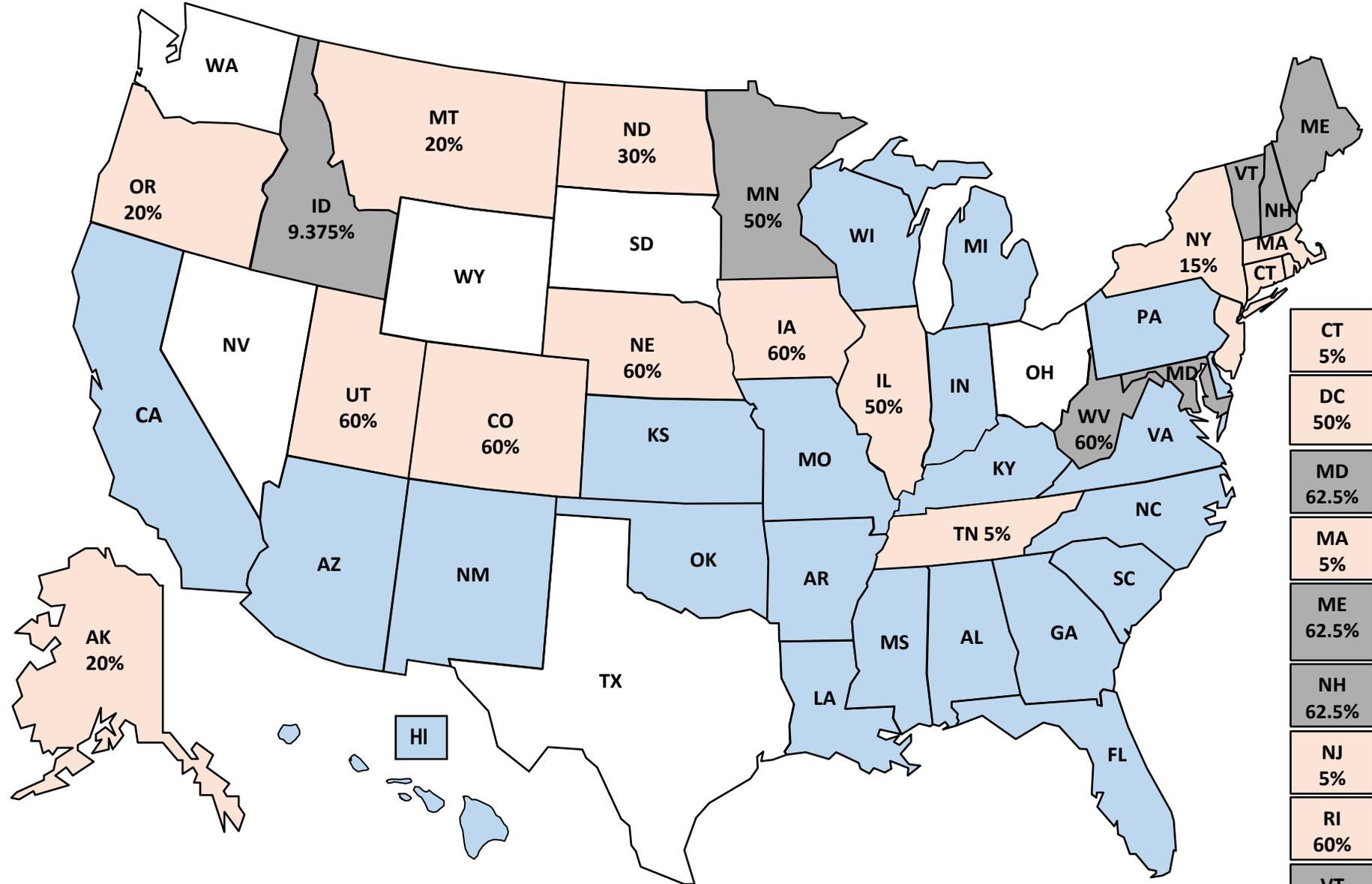
Iowa: Legislation is pending that may decouple from NCTI, it did not formally tax GILTI.

Kansas: Currently, no, however, the statute refers to GILTI and not IRC §951A. DOR could take the position to include 60% of NCTI.

Montana: Includes 20% of NCTI if a water's-edge filer.

New Mexico: Taxes 100% of NCTI January 1, 2027.

Oregon: Currently, includes 20% of NCTI. However, the statute refers to GILTI and not IRC §951A. DOR could take the position to include 100% of NCTI.



Disclaimer: This map does not constitute legal advice, and the information should be used for general guidance and not relied upon for compliance.

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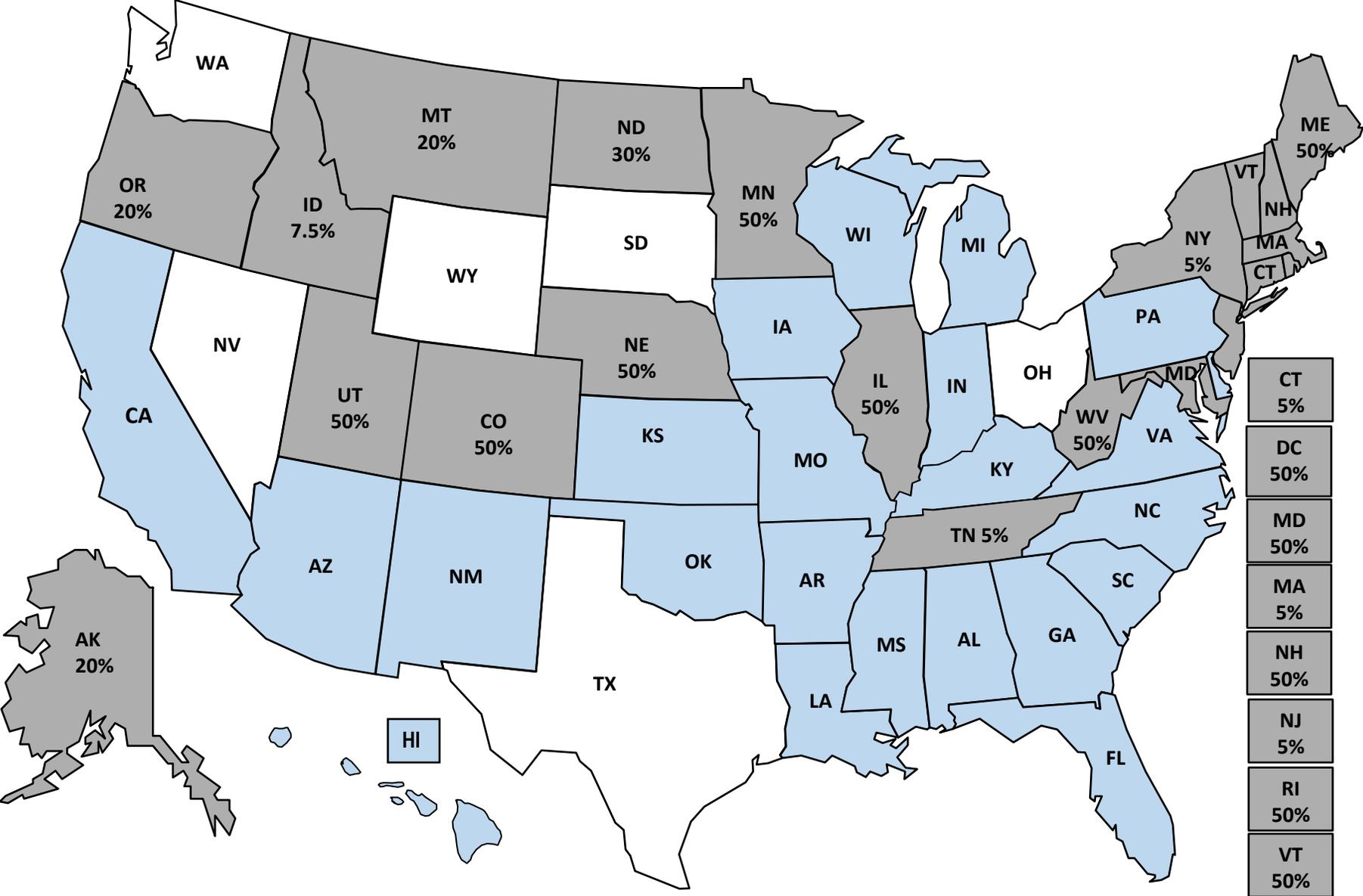
Inclusion of GILTI in Tax Base (Pre-TY2026)

- State taxes GILTI
- State does not tax GILTI
- No corporate income tax

Colorado: No, if the §951A income is derived from a listed tax haven country (such income is included in tax base). Includes 50% after deduction for foreign taxes paid.

Idaho: Includes 7.5% if a water's-edge taxpayer.

Montana: Includes 20% if a water's-edge filer.



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