

State Conformity with HR 1 Sec. 168(k) 100% Expensing
As of December 31, 2025*

State	Status	Statutory Cites/Supporting Documentation
Alabama	Rolling Conformity	Ala. Code § 40-18-33; Alabama Analysis of Federal Tax Law Revisions on the State of Alabama (July 30, 2018)
Alaska¹	Rolling Conformity	§43.20.020(a)
Arizona	Static Conformity Decoupled	§§43-1121 and 43-1122
Arkansas²	Static Conformity Decoupled	Ark. Code Ann. § 26-51-428(a), as amended by 2019 Ark. H.B. 1953, effective for taxable years beginning on or after Jan. 1, 2019; Arkansas Schedule 1100REC: Corporation Income Tax Reconciliation Schedule
California³	Static Conformity Decoupled	Rev. & Tax Code §24349 (a) & (b) and Regulation §24349(k) and FTB Form 100
Colorado	Rolling Conformity	CRS §39-22-304(3)

¹ Alaska decouples from IRC §§ 167 and 168 for oil and gas companies.

² Arkansas adopts specific sections of the Internal Revenue Code as of a specific date.

³ California conforms to the IRC as of January 1, 2025.

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Connecticut	Rolling Conformity Decoupled	Conn. Gen. Stat. § 12-217(b)(1)
Delaware	Rolling Conformity Decoupled	Del. Code Ann. §§1106 and 1903
District of Columbia	Rolling Conformity Decoupled	D.C. Code Ann. § 47- 1803.03(a)(7)
Florida⁴	Static Conformity Decoupled	Fla. Stat. § 220.13(1)(e)(1), as amended by 2021 Fla. H.B. 7059, effective June 29, 2021; Florida Tax Information Publication 21C01-01R (revised Aug. 13, 2021)
Georgia	Static Conformity Decoupled	Ga. Code Ann. § 48-1-2(14); Georgia Dept. of Rev., Income Tax Federal Tax Changes (last visited May 30, 2023)
Hawaii	Static Conformity Decoupled	HRS §235-2.4(m)
Idaho	Static Conformity - Decoupled	Idaho Code §6303004 and §63- 3022 O(1)
Illinois	Rolling Conformity Decoupled.	35 ILCS 5/203(b)(2)(E-10), (T).

⁴ Florida does not conform to the federal treatment of bonus depreciation. Amounts deducted as bonus depreciation under I.R.C. § 168(k) for assets placed in service after Dec. 31, 2007, but before Jan. 1, 2027, must be added back; however, a state deduction is permitted over the next seven years for one-seventh of the amounts that were added back

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Indiana	Static Conformity Decoupled.	Ind. Code Ann. § 6-3-1-3.5(b)(5); Ind. Code Ann. § 6-3-1-33; Indiana Tax Information Income Tax Bulletin 118.
Iowa⁵	Rolling Conformity	Iowa Dept. of Rev., Corporate Income Tax Changes for 2021.
Kansas	Rolling Conformity	Kan. Stat. Ann. § 79-32,138
Kentucky⁶	Static Conformity Decoupled	Ky. Rev. Stat. Ann. § 141.0101(16)(a)
Louisiana⁷	Rolling Conformity – Decoupled	La. Rev. Stat. Ann. § 47:65; La. Rev. Stat. Ann. § 47:287.65; La. Rev. Stat. Ann. § 47:287.73(C)(6); La. Rev. Stat. Ann. § 47:287.701(A); La. Rev. Stat. Ann. § 47:287.744
Maine	Static Conformity – Decoupled	Me. Rev. Stat. Ann. § 5200-A(1)(T)
Maryland⁸	Static Conformity – Decoupled	Md. Code Ann. Tax-Gen. § 10-210.1(b)(1)

⁵ For tax years beginning, and property placed in service, on or after Jan. 1, 2021, Iowa conforms to the federal treatment of bonus depreciation under I.R.C. § 168(k). Taxpayers claiming the additional first-year depreciation for federal tax purposes in 2021 or later do not need to make depreciation adjustments on Iowa returns for such assets. *Former* Iowa Code Ann. § 422.35(19A), *repealed by* 2021 Iowa S.F. 619, *effective* for tax years beginning, and property placed in service, on or after Jan. 1, 2021.

⁶ Kentucky conforms to the depreciation deduction under I.R.C. § 168 as was in effect on Dec. 31, 2001

⁷ For taxable years beginning on or after Jan. 1, 2025, Louisiana does not conform to the federal treatment of bonus depreciation and requires an addition modification for bonus depreciation to federal taxable income. For taxable years prior to Jan. 1, 2025, Louisiana conforms to the federal treatment of bonus depreciation

⁸ Maryland decouples from an IRC change that reduces revenue by in excess of \$5 million.

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Massachusetts	Rolling Conformity Decoupled	Mass. Gen. L. § 30(4)(iv)
Michigan	Rolling Conformity Decoupled.	Mich. Comp. Laws § 206.607(1); Mich. Comp. Laws § 208.1111; Michigan Revenue Administration Bulletin 2024-23 (Dec. 4, 2024).
Minnesota⁹	Static Conformity Decoupled.	Minn. Stat. § 290.0133(11); Minn. Stat. § 290.0134(13); Minnesota Dept. of Rev., Federal Bonus Depreciation Addition (last updated Dec. 29, 2021).
Mississippi¹⁰	Rolling Conformity	Miss. Code Ann. § 27-7-17(1)(f)(ii)(2), as added by 2023 Miss. H.B. 1733, effective Jan. 1, 2023; Miss. Regs. §§ 35.III.05.04.100 – 35.III.05.04.103; Mississippi Notice 80-23-003 (Oct. 20, 2023); Mississippi Form 83-100: Instructions to Corporate Income and Franchise Tax Return
Missouri	Rolling Conformity	Mo. Rev. Stat. § 143.431(2); Mo. Rev. Stat. § 143.121(2)(3)
Montana	Rolling Conformity	§§15.31.113 and 15.31.114. Admin. R. 42.23.404

⁹ Minnesota requires an addition to federal taxable income for 80% of bonus depreciation taken at the federal level and then a subsequent gradual subtraction.

¹⁰ Beginning with tax year 2023, Mississippi conforms to the federal treatment of bonus depreciation under I.R.C. § 168(k).

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Nebraska	Rolling Conformity	Neb. Rev. Stat. § 77-2716(9).
Nevada	No Corporate Income Tax	
New Hampshire	Static Conformity Decoupled	N.H. Rev. Stat. Ann. § 77-A:3-b
New Jersey	Rolling Conformity Decoupled	N.J. Rev. Stat. § 54:10A-4(k)(12)
New Mexico	Rolling Conformity	§7-2A-2(c) and §7-2A-2(L)
New York	Rolling Conformity Decoupled	N.Y. Tax Law § 208(9)(b)(17).
North Carolina¹¹	Static Conformity Decoupled	N.C. Gen. Stat. § 105-130.5(a)(24); N.C. Gen. Stat. § 105-130.5B
North Dakota	Rolling Conformity	N.D. Cent. Code § 57-38-01; N.D. Cent. Code § 57-38-01.3(1).
Ohio	No Corporate Income Tax	

¹¹North Carolina does not conform to the federal treatment of bonus depreciation and requires taxpayers to add back 85 percent of the bonus depreciation taken at the federal level, which then may be deducted on the state level over a five-year period.

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Oklahoma¹²	Rolling Conformity	Okla. Stat. Ann. tit. 68, § 2358.6A(B)(2), <i>as added by 2023 Okla. S.B. 602, effective Nov. 1, 2023</i> ; Okla. Admin. Code § 710:50-17-51(23), <i>as amended effective Aug. 11, 2024</i>
Oregon	Rolling Conformity	ORS §§317.013 and 313.031
Pennsylvania	Rolling Conformity Decoupled	Pa. Stat. Ann. 72 § 7401(3)(1)(s) and Pennsylvania Corporation Tax Bulletin No. 2018-03
Rhode Island	Rolling Conformity Decoupled	R.I. Gen. Laws § 44-61-1
South Carolina	Static Conformity Decoupled	S.C. Code Ann. § 12-6-50(4)
South Dakota	No Corporate Income Tax	
Tennessee¹³	Rolling Conformity Decoupled	Tenn. Code Ann. § 67-4-2006(a)(12), (b)(1)(H), <i>as amended by 2023 Tenn. H.B. 323, effective May 11, 2023</i> . TN Revenue Notice #25-36
Texas¹⁴	No Corporate Income Tax	

¹² Oklahoma allows full expensing even if not provided for in the IRC.

¹³ For assets purchased on or after Jan. 1, 2023, Tennessee conforms to the federal treatment of bonus depreciation. For assets purchased on or before Dec. 31, 2022, Tennessee does not conform to the federal treatment of bonus depreciation and requires taxpayers to add back bonus depreciation taken at federal level in computing Tennessee taxable income. Tennessee adopts the TCJA depreciation provisions.

¹⁴ Texas generally conforms to the federal treatment of accelerated cost recovery system for the purpose of calculating cost of goods sold. Effective for the 2026 franchise tax report Texas will align its franchise tax

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Utah	Rolling Conformity	§59-7-101(22)
Vermont	Static Conformity Decoupled	Vt. Stat. Ann. tit. 32, § 5811(18)(A) and (21)
Virginia	Static Conformity Decoupled	Va. Code Ann. § 58.1-301(B)(1), as amended by 2023 Va. S.B. 882, effective Feb. 27, 2023, and 2023 Va. H.B. 2193, effective for taxable years beginning on or after Jan. 1, 2023
Washington	No Corporate Income Tax	
West Virginia	Static Conformity	W. Va. Code § 11-24-3(a); W. Va. Code § 11-24-3a; W. Va. Code § 11-24-6
Wisconsin	Static Conformity Decoupled	Wis. Stat. § 71.98(3); Wis. Stat. § 71.26(3)(y); Wisconsin Tax Bulletin No. 201; Wisconsin Tax Bulletin No. 192.
Wyoming	No Corporate Income Tax	

***Guide to Chart:**

- Rolling Conformity – Adopts current version of IRC §168(k).
- Rolling Conformity – Decoupled – Does not adopt the current version of IRC §168(k).
- Static Conformity - Adopts the version of IRC §168(k) effective on the conformity date.

depreciation with the bonus depreciation provisions of HR1. Texas Comptroller of Public Accounts STAR System No. 202512012M. Tex. Tax Code Ann. § 171.0001(9); Tex. Tax Code Ann. § 171.1012(c)(6); Tex. Tax Code Ann. § 171.1012(h).

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- Static Conformity – Decoupled - Does not adopt IRC §168(k)
- No Corporate Income Tax – Does not impose a tax on net income.

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