State Conformity with the OBBBA Sec. 168(n) – New Production/Factory Expenses
As of October 31, 2025*

State	Status	Statutory Cites/Supporting Documentation
Alabama	Rolling Conformity	Ala. Code § 40-18-33; Ala. Code § 40-18-34; Ala. Admin. Code r. 810-3-15.05; Alabama Analysis of Federal Tax Law Revisions on the State of Alabama (July 30, 2018)
Alaska[1]	Rolling Conformity	§43.20.021(a)
Arizona[2]	Static Conformity	ARS §43-1121(4)
Arkansas[3]	Static Conformity	Ark. Code Ann. § 26-51-428(a),; Arkansas Revenue Legal Counsel Opinion No. 20190912 (Oct. 30, 2019)
California[4]	Static Conformity Decoupled	Rev. & tax Code §24349 (a) & (b) and Regulation §24349(k)
Colorado	Rolling Conformity	CRS §39-22-304(1)

[1] Oil and gas companies must use IRC§ 167 as it read on 6/30/1981. §43.20.144

[2] Arizona is decoupled from IRC §168(k). AZ conforms to the IRC as of 1/1/2025 so legislation is required to conform to §168(n).

[3] Arkansas conforms to the federal treatment of regular depreciation under I.R.C. § 168(a) through (j) as were in effect on Jan. 1, 2019.

[4] California conforms to the IRC as of 1/1/2025.

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Connecticut[5]	Rolling Conformity	Conn. Gen. Stat. § 12-217(b)(1)
Delaware	Rolling Conformity	Del. Code Ann. § 1903
District of Columbia[6]	Rolling Conformity	D.C. Code Ann. § 47-1803.03(a)(7)
Florida	Static Conformity Decoupled	Fla. Stat. § 220.03(1)(n); Fla. Stat. § 220.13(5), as amended by 2021 Fla. H.B. 7059, effective retroactively for property placed in service on or after Jan. 1, 2018; Fla. Admin. Code Ann. r. 12C-1.013(14)(a), (b); Florida Tax Information Publication 23C01-03 (May 9, 2022)
Georgia[7]	Static Conformity Decoupled	Ga. Code Ann. § 48-1-2(14);
Hawaii[8]	Static Conformity Decoupled	HRS §235-2.3(a) and (b)

[5] Connecticut specifically decouples from 168(k).
[6] The District of Columbia decouples from IRC §168(k).
[7]Georgia generally conforms to the federal treatment of depreciation but requires several state modifications. Georgia determines the depreciation deduction under I.R.C. § 167 using state-level modifications to the accelerated cost recovery system in I.R.C. § 168. Georgia has adopted the CARES Act retroactive to Jan. 1, 2019, but does not conform to any amendments made by the act that are effective prior to Jan. 1, 2019.
[8] Hawaii conforms to the IRC as in effect 12/31/2024 and decouples from §1168(k).

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Idaho[9]	Static Conformity	Idaho Code §63-3004
Illinois[10]	Rolling Conformity Decoupled	35ILCS 5/203(b)(E-10)
Indiana[11]	Static Conformity	. Ind. Code Ann. § 6-3-1-11,
Iowa	Rolling Conformity	. Iowa Code Ann. § 422.3(5); Iowa Code Ann. § 422.35.
Kansas	Rolling Conformity	Kan. Stat. Ann. § 79-32,109(a)(1); Kan. Stat. Ann. § 79-32,138(a); Kan. Stat. Ann. § 79-32,138(b)(ii)
Kentucky[12]	Static Conformity Decoupled	Ky. Rev. Stat. Ann. § 141.019(1)(m); Ky. Rev. Stat. Ann. § 141.0101(16)(a)
Louisiana	Rolling Conformity	La. Rev. Stat. Ann. § 47:287.65; La. Rev. Stat. Ann. § 47:287.701(A); Louisiana Revenue Information Bulletin 08-008
Maine[13]	Static Conformity	Me. Rev. Stat. Ann. 36 § 111(1-A) Me. Rev. Stat. Ann. § 5200-A(1)(T)

[9] Idaho conforms to the IRC as of 1/1/2025 and decouples from §168(k).
[10] Illinois isalso decoupled from IRC §168(k).
[11] Indiana conforms to the IRC in effect as of 1/1/2023.
[12] Kentucky conforms to the depreciation deduction under IRC §168 as was in effect on December 31, 2001
[13] Maine adopts the IRC as of 12/31/2024 and decouples from IRC §168(k).

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Maryland[14]	Static Conformity Decoupled	Md. Code Ann. Tax-Gen. § 10-210.1(b)(1)
Massachusetts[15]	Rolling Conformity	Mass. Gen. L. § 30(4)(iv)
Michigan[16]	Rolling Conformity Decoupled	Mich. Comp. Laws § 206.607(1).
Minnesota[17]	Static Conformity	Minn. Stat. § 290.01(19)(f), Minnesota Schedule M4NC: Instructions for Federal Adjustments.
Mississippi	Rolling Conformity	Miss. Code Ann. § 27-7-17(1)(f); Mississippi Form 83-100: Instructions to Corporate Income and Franchise Tax Return
Missouri	Rolling Conformity	Mo. Rev. Stat. § 143.121; 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

[14] Maryland decouples from IRC §168(k). Maryland automatically decouples from any federal law change that has a state revenue impact of $5 million or more.
[15] Massachusetts decouples from IRC §168(k).
[16]Michigan adopts the IRC as of 1/1/2025. A taxpayer may however elect to use the IRC in effect for the tax year. With the enactment of HB 4961 Michigan is decoupled from §168(n).
[17] Minnesota conforms to the IRC in effect 5/1/2023.

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Nebraska	Rolling Conformity	Neb. Rev. Stat. § 77-2714; Nebraska Dept. of Rev., Effects of the Coronavirus Aid, Relief, and Economic Security Act on the State of Nebraska's Tax Revenue.
Nevada	No Corporate Income Tax	
New Hampshire[18]	Static Conformity	N.H. Rev. Stat. Ann. § 77-A:3-b N.H. Rev. Stat. Ann. Chapter 158 § 77-A:1, XX(m)
New Jersey[19]	Rolling Conformity	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	N.Y. Tax Law § 208(9) NYCRR 20 § 3-3.1
North Carolina[20]	Static Conformity	N.C. Gen. Stat. § 105-130.2(15); N.C. Gen. Stat. § 105-130.5(a)
North Dakota	Rolling Conformity	N.D. Cent. Code § 57-38-01.

[18] New Hampshire adopts the IRC as of 12/31/2018 and decouples from IRC §168(k).
[19] New Jersey decouples from IRC §168(k).
[20] North Carolina adopts the IRC as of 1/1/2023.

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Ohio	No Corporate Income Tax	
Oklahoma	Rolling Conformity	Okla. Stat. Ann. tit. 68, § 2353(3); Okla. Stat. Ann. tit. 68, § 2358
Oregon	Rolling Conformity	§§317.013 and 313.031
Pennsylvania[21]	Rolling Conformity	Pa. Stat. Ann. 72 § 7401(3)(1)(s)
Rhode Island[22]	Rolling Conformity-Decoupled	R.I. Gen. Laws § 44-61-1 and §44-11-11(a)(1)(viii).
South Carolina[23]	Static Conformity	S.C. Code Ann. § 12-6-40(A)(1)(a);S.C. Code Ann. § 12-6-580
South Dakota	No Corporate Income Tax	
Tennessee	Rolling Conformity	Tenn. Code Ann. § 67-4-2006

[21] Pennsylvania decouples from IRC §168(k).
[22] For taxable years on or before 1/1/25, the DOR may promulgate emergency rules to preserve the RI tax base, Rhode Island Department of Revenue, *Summary of Legislative Changes* (July 18, 2025). Additionally, Rhode Island has decoupled from §168(k).
[23] South Carolina adopts the IRC as of 12/31/2024.

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Texas[24]	No Corporate Income Tax	Tex. Tax Code Ann. § 171.1012(c)(6); Tex. Tax Code Ann. § 171.1012(h)
Utah	Rolling Conformity	Utah Code §59-7-101(22)
Vermont[25]	Static Conformity	Vt. Stat. Ann. tit. 32, § 5811(18)(A) and (21)
Virginia[26]	Static Conformity	Va. Code Ann. § 58.1-301(B), 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[27]	Static Conformity	W. Va. Code § 11-24-2; W. Va. Code § 11-24-3(a); W. Va. Code § 11-24-3a; W. Va. Code § 11-24-6
Wisconsin	Static Conformity	Wis. Stat. § 71.98(3).

[24] Texas generally conforms to the federal treatment of accelerated cost recovery system for the purpose of calculating cost of goods sold

[25] Vermont adopts the IRC as of 112/31/2024 and decouples from IRC §168(k).

[26] The 2025 Appropriation Bill suspended rolling conformity with any provision enacted in 2025 or 2026 regardless of the revenue impact. Previously, for taxable years beginning on or after Jan. 1, 2023, Virginia conforms to the most recent version of the Internal Revenue Code on a modified rolling basis and requires legislation to decouple from certain amendments. Virginia will not automatically conform with any federal provisions that result in a revenue impact of $15 million or more in the fiscal year of the amendment or any of the four succeeding fiscal years. Additionally, Virginia has decoupled from IRC §168(k)

[27] West Virginia adopts the IRC as of 12/31/2024.

Wyoming	No Corporate Income Tax	

***Guide to Chart:**

- Rolling Conformity – Adopts the current Internal Revenue Code
- Rolling Conformity -Decoupled – Adopts the current Internal Revenue Code but decouples from IRC §168.
- Static Conformity – Adopts the Internal Revenue Code as of a specific date.
- Static Conformity – Decoupled – Adopts the Internal Revenue Code as of specific date but decouples from IRC §168.
- No Corporate Income Tax – Does not impose a tax measured on net income.