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STATE INCOME TAX NEWSLETTER

Fourth Quarter 2024



KBF's quarterly newsletter updates clients on state and local income/franchise tax news, developments, and trends. Note that this newsletter is for discussion purposes only; for specific guidance, consult with your KBF service team or find a KBF tax professional [here](#).



LOUISIANA

Louisiana Overhauls Tax Code with Sweeping Changes

Louisiana recently enacted a comprehensive tax reform package, significantly altering the state's tax landscape. Signed into law by Governor Jeff Landry on December 5th, the legislation includes:

- Changes to the corporate and individual tax rates,
- An election for taxpayers to immediately expense qualified property, qualified improvement property, and research and experimental expenditures,
- Substantial changes to the state's credits, including repeals and limitations
- Expansion of the sales and use tax base.

See our [income/franchise](#) and [sales](#) tax discussions for more detail.

Enacted: Dec. 5, 2024 | Effective: Tax Year 2025 | Bills: [HB2](#), [HB3](#), [HB8](#) & [HB10](#)



■ MASSACHUSETTS

New Law Provides Guidance on Application of New Single Sales Factor Requirement

In 2023, the state enacted law that transitions all corporate excise taxpayers to a single sales factor apportionment formula for tax years beginning on or after Jan. 1, 2025. The law now in effect provides guidance on when the default single sales factor would not apply:

- Both the numerator and the denominator are zero
- The denominator is less than 10% of one-third of a corporation's taxable net income
- The commissioner determines that the sales factor is insignificant in producing income

Enacted: Dec. 4, 2024 | Effective: Tax Year 2025 | Bills: [H.5077](#)



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ABOUT US

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This material is not a formal opinion of the tax consequences and as such, it does not contain a full description of all the facts or a complete analysis of all relevant tax issues and authorities. The information referenced herein, as well as current tax laws and published tax authorities in effect are subject to change. This material is only for general informational purposes, if you need assistance regarding income/franchise taxes, please contact your KBF engagement team or Nick McMahon at nmcmahon@kbfcpa.com.