



This Week in State Tax (TWIST)

March 3, 2025



Multistate: Several States Approve IRC Conformity Measures

As some legislative sessions begin to wind down, several states have adopted (or are moving toward adoption of) IRC conformity updates:

Arizona: [H.B. 2688](#) updates state conformity to the IRC as in effect January 1, 2025, applicable to all tax years beginning on or after December 31, 2024. The bill has been passed by both houses of the state legislature and is currently awaiting action by Governor Hobbs.

Idaho: Governor Little has signed [H.B. 3](#), which updates the IRC conformity to January 1, 2025.

Ohio: [H.B. 14](#) updates the IRC conformity for several taxes to March 15, 2023. The bill has been passed by both houses of the legislature and is currently before Governor DeWine.

South Dakota: Governor Rhoden has signed [H.B. 1028](#), which updates the IRC conformity for the bank franchise tax to January 1, 2025.

West Virginia: Governor Morrissey has signed [H.B. 2025](#), which updates IRC conformity for the corporation net income tax to December 31, 2024.

Virginia: [H.B. 1600](#), the Commonwealth Budget as sent to the Governor, places a two-year hold on the modified rolling IRC conformity measure adopted in 2023. Recall, Virginia adopted legislation in 2023 to switch from static to rolling conformity for tax years beginning on or after January 1, 2023, except for federal amendments with a state revenue effect of greater than \$15 million. Under the Budget passed this year, Virginia will not conform to any federal amendment passed between January 1, 2025 and January 1, 2027 that would increase or decrease state revenue by any amount. This limitation does not apply to federal tax extenders, defined as amendments extending the expiration of measures to which the Commonwealth conforms. The bill has been passed by both houses of the General Assembly and is awaiting action by Governor Youngkin.

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