

This Week in State Tax (TWIST)

May 12, 2025



Multistate: Several States Address IRC Conformity

As many of the remaining state legislative sessions draw to a close, several states have updated conformity with the Internal Revenue Code (or appear on the path toward doing so).

Hawaii

Senate Bill 1464 was sent to Governor Green on May 2, 2025. A provision of the bill updates Hawaii's income tax code to conform with the federal Internal Revenue Code as amended as of December 31, 2024 for tax years beginning in 2025 or later. Contact [Julie Quick](#) with questions about [S.B. 1464](#).

Virginia

House Bill 1600—Virginia's biennial budget legislation—was signed into law by Governor Youngkin on May 2, 2025. A provision of this bill pauses the state's rolling conformity to the Internal Revenue Code. Currently, Virginia conforms to the Internal Revenue Code on a rolling basis for tax years beginning on or after January 1, 2023, except for federal amendments with a state revenue effect of greater than \$15 million. H.B. 1600 provides, however, that Virginia will not conform to any federal amendment passed between January 1, 2025 and January 1, 2027, if the amendment will increase or decrease state revenue by any amount in the fiscal year when passed, or any of the succeeding four fiscal years. The limitation does not apply to "federal tax extenders", defined as amendments extending the expiration of measures to which the Commonwealth already conforms. Contact [Diana Smith](#) with questions about [H.B. 1600](#).

Vermont

The final details of House Bill 493—Vermont's Fiscal Year 2026 appropriations bill—are being reconciled in a conference committee. Both the House and Senate versions of H. 493 include provisions to update Vermont's conformity with the Internal Revenue Code to the IRC "as amended through December 31, 2024," effective for taxable years beginning on or after January 1, 2025. Note: The conference committee report containing this language is scheduled for action during the week of May 12. Contact [Jennifer Bates](#) with questions about [H. 493](#).

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