



This Week in State Tax (TWIST)

November 24, 2025



Delaware: Governor signs bill to decouple from some OB3 provisions

Governor Meyer recently signed House Bill 255 into law, thus decoupling the state from certain provisions of the One Big Beautiful Bill Act (OB3). Specifically, for corporate and individual taxpayers, the First State will decouple from the OB3 changes made to IRC section 168(k) (bonus depreciation) for property acquired and placed in service between January 19, 2025 and January 1, 2031, as well as from IRC section 168(n) (bonus depreciation for qualified production property) for property placed in service before January 1, 2031. Finally, for corporate taxpayers, the bill decouples from the transitional rules under IRC section 174A (the acceleration of unamortized amounts of R&E expenses from tax years 2022-2024) and requires taxpayers to continue to amortize the R&E expenses paid or incurred in those years. These decoupling provisions for corporations apply retroactively to tax years beginning on or after January 1, 2022. For individuals, the changes apply beginning January 1, 2026. Contact [Michael Paich](#) with questions on [House Bill 255](#). KPMG will continue to monitor state responses to OB3 and provide updates in TWIST.

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