



This Week in State Tax (TWIST)

March 16, 2026



Multistate: More states weigh in on OB3

Three additional states – New Mexico, Oregon, and Ohio – have passed legislation to update their conformity to the Internal Revenue Code (IRC) and deal with various provisions in the One Big Beautiful Bill Act (OB3) (P.L. 119-21).

New Mexico: In the Land of Enchantment, Governor Grisham signed into law a measure which decouples New Mexico, a rolling conformity state, from IRC section 168(k) (bonus depreciation), section 168(n) (depreciation of production property), and the OB3 changes to add back depreciation/amortization to adjusted taxable income in IRC section 163(j). The newly enacted legislation also repealed the subtraction modification for global intangible low taxed income (GILTI) included in taxable income. Relatedly, the bill also will allow taxpayers to include the factors of a controlled foreign corporation (CFC) in the New Mexico apportionment calculation to the extent the income of the CFC is included in net income. The changes in the measure are effective for tax years beginning on or after January 1, 2027. For more information on [Senate Bill 151](#), please contact [Nick Palmos](#).

Oregon: Both chambers of the Oregon Legislature recently approved a bill that, if signed, would change statutory references to global intangible low-taxed income (GILTI) to “net controlled foreign corporation tested income” (NCTI), per the change in OB3. Thus, the Oregon dividends received deduction would apply to NCTI amounts included in taxable income. Additionally, the bill would extend the state pass-through entity (PTE) elective entity-level tax regime for two additional tax years, through tax year 2027. PTEs electing into the Oregon PTE tax regime would be permitted to apply overpayments of PTE elective tax as estimated tax payments for the following year. The bill is currently awaiting a signature from Governor Kotek. Please contact [Nisha Mathew](#) and [Robert Passmore](#) with questions on [Senate Bill 1510](#).

Ohio: Ohio Governor DeWine recently signed into law a bill updating the state’s general conformity to incorporate IRC changes taking effect after March 7, 2025, but before the effective date of the bill (March 5, 2026). In other words, Ohio will effectively conform to the provisions of OB3. While the bill is mostly applicable to the Ohio Personal Income Tax regime, the updated date of conformity affects any part of existing Ohio tax law which incorporates provisions of the IRC, including the Commercial Activity Tax to the extent its provisions refer to the IRC. Please contact [Dave Perry](#) and [Brandon Erwine](#) with questions on [Senate Bill 9](#).

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