

Income/Franchise:

California FTB Adopts New and Revised Regulations on Assignment of Corporate Income Tax Credits

Amended Cal. Code of Regs., Title 18, section 23663-1 and New Cal. Code of Regs., Title 18, section 23663-6, Cal. FTB (eff. 1/1/22); Notice of Approval: Amended Cal. Code of Regs., Title 18, section 23663-1 and New Cal. Code of Regs., Title 18, section 23663-6, Cal. FTB (12/7/21). The California Franchise Tax Board (FTB) has amended a regulation and adopted a new regulation in its attempt to provide California taxpayers with some certainty regarding how tax credits are allocated, what is an eligible tax credit, and who is an eligible assignee when members of a combined reporting group have been affected by corporate reorganizations and other corporate restructurings. The revisions include an explanation and illustrative examples on who is an eligible assignee, as well as address:

URL: <https://www.ftb.ca.gov/tax-pros/law/final-regulations/23663-6/final-text.pdf>

URL: <https://www.ftb.ca.gov/tax-pros/law/final-regulations/23663-6/form-400.pdf>

- Treatment of a resulting corporation assignee who was a part of a reorganization under Internal Revenue Code section 368(a)(1)(F); and
- The limitations on the allowance of credits against the assignor's tax.

Please contact us with any questions.

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