

Income/Franchise:

Georgia DOR Discusses Updated State Conformity to IRC and Decoupling from TCJA Changes to IRC §174

Income Tax Federal Tax Changes, Ga. Dept. of Rev. (9/23). The Georgia Department of Revenue (Department) issued guidance on 2023 enacted legislation updating certain provisions of state tax law in response to federal changes to the Internal Revenue Code (IRC), including law that updated Georgia's corporate and individual income tax conformity to the IRC provided for in federal law enacted on or before January 1, 2023, but that did not adopt the federal provision in the Tax Cuts and Jobs Act (TCJA) relating to the treatment of research and experimental expenditures paid or incurred in tax years beginning after December 31, 2021 [see S.B. 56 (2023), and *State Tax Matters*, Issue 2023-18, for more details on this enacted legislation]. The Department explains that while research and experimental expenditures paid or incurred in tax years beginning after December 31, 2021 must be amortized ratably over a five-year period (fifteen-year period for certain research or experimental expenditures attributable to foreign research) under the TCJA, "Georgia still allows a deduction for research and experimental expenditures paid or incurred in tax years beginning after December 31, 2021, and taxpayers are not required to amortize such expenditures." Please contact us with any questions.

URL: <https://dor.georgia.gov/taxes/tax-rules-and-policies/income-tax-federal-tax-changes>

URL: <https://www.legis.ga.gov/legislation/63791>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230505_1.html

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