

# 2011 STATE - IRC CONFORMITY CHART



This chart indicates whether the state conforms to a particular IRC section (Yes or No)

| State | B - IRC Conformity            | C - Statute Reference                                       | D - Federal Income Reference | E - SE Health Insurance Deductible in Calculating SE Tax IRC § 162(l)(4) | F - Bonus Depreciation IRC § 168(k) | G - IRC § 179 Expensing Limits & Phaseouts | H - Increased Depreciation for certain Leasholds, Restaurant Prop, etc. IRC § 168(e)(3)(E) & 168(e)(8)(E) | I - Domestic Production Activity Deduction IRC § 199 | J - Startup Expenses IRC § 195(b) | K - K-12 Educator Expenses IRC § 62(a)(2)(D) | L - Tuition & Fees Deduction IRC § 222 | M - State Sales Tax Deduction IRC § 164(b)(5) | N - IRA Qualified Charitable Distribution IRC § 408(d)(8)(F) | O - NOL 5 Year Carryback IRC § 172(b)(1) | P - Cancellation of Debt Income IRC § 108(j) | Q - Mortgage Forgiveness IRC § 108(a) | R - Health Care for Nonqualified Dependents IRC § 105(b) | S - Mortgage Insurance Premiums IRC § 163(h)(3)(E) | T - Contributions of Real Property for Conservation IRC § 170(b)(1)(E) | Column Notes |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| AL    | Current or N/A                | Ala. Code §40-18-1.1(a); Ala. Admin. Code §810-3-1.1-.01(2) | None                         | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | NA                                           | NA                                     | N/A                                           | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          | G- 179 Alabama law allows IRC § 179 expense for all taxable years beginning after December 31, 1989.<br>O- Alabama uses state-specific calculations and carries back two years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| AR    | Some but only as of 1/1/2011* | various                                                     | None                         | No                                                                       | No                                  | No                                         | No                                                                                                        | No                                                   | No                                | N/A                                          | N/A                                    | N/A                                           | Yes                                                          | No                                       | Yes                                          | Yes                                   | No                                                       | Yes                                                | Yes                                                                    | Yes          | *On 03/30/2011, AR advanced conformity with specific IRC provisions to 01/01/2011. N/A items are never deductible in AR.<br>G- IRC §179 expensing and depreciation limits are still in effect as of January 1, 2009 AR deduction limit-\$133,000; Cost of qualifying prop limit - \$530,000; No deduction allowed > \$663,000<br>N & T - Effective 1/1/11; not conforming for TY10<br>O- AR does not allow carry-backs of NOLs.<br>R- Self-employed Health Insurance dependents only. Conforms to IRC §105 as in effect on 03/30/2010 for tax years starting on and after 1/1/10.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| AZ    | 1-Jan-11                      | Ariz. Rev. Stat. Ann. §43-105(A)                            | AGI                          | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | Some limits                                  | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          | *Arizona enacted legislation on 2/17/11 coupling to IRC as of 1/1/11 and thus conforming to the federal tax changes enacted in 2010, including the Tax Relief Act and Small Business Jobs Bill.<br>O- Allows NOL but does not allow carry-back beyond 2 years<br>P- Excludes, including income over 5 years from debt instrument (IRC 108(1), 2009 Federal Recovery Act)<br>S- Use Federal Sch A then make adjustments for AZ - this was not called out as not allowed<br>T- Follows IRC § 170 with some exceptions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CA    | Jan-09, Modified              | Cal. Rev. & Tax. Cd. § 17024.5                              | AGI                          | No                                                                       | No                                  | No                                         | No                                                                                                        | No                                                   | No                                | No                                           | No                                     | No                                            | No                                                           | No                                       | No                                           | Yes w/modifications                   | Yes                                                      | No                                                 | Yes                                                                    | Yes          | E- CA(540) line 29 requires adjustment for adult child's portion.<br>G- CA § 179 limit = \$25K & phase-out starts at \$200K. CA does not allow a § 179 deduction for off-the-shelf software. See Pub 1001.<br>H- In CA, qualified leasehold improvements and qualified restaurant property must be recovered over a 39 year recovery period. Use form FTB 3885A to figure the adjustment to make on Schedule CA (540 or 540NR).<br>I- Adjust on Schedule CA (540), line 35, Col B.<br>J- See Form 3885A & Pub 1001 for differences.<br>K- Adjust on CA(540), line 23, Col B.<br>L- Adjust on CA(540) line 34 Col B.<br>M- Add back new vehicle sales tax deduction on CA(540) line 39.<br>O- California conforms to the federal NOL carry-back rules for NOLs attributable to taxable years beginning on or after January 1, 2011, with some modifications (2 year carry-back, 50% limit for 2011, 75% limit for 2012).<br>P- CA conforms to IRC § 108 as of 12/20/2007.<br>Q- California law limits the amount of qualified principal residence indebtedness to \$800K (\$400K, married/RDP filing separate) and debt relief to \$500K (\$250K).<br>R- On 04/07/11, CA passed AB36 conforming to the Patient Protection & Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.<br>O- Pre-1987 losses are subtracted.<br>R- Starts with Federal taxable income and does not require as add back so would apply to self employed as well as someone who itemizes. |
| CO    | Current                       | Colo. Rev. Stat. §39-22-103(5.3)                            | Taxable Income               | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| CT    | Current                       | Conn. Gen. Stat. §12-701(a)(16)                             | AGI w/modifications          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | N/A                                   | Yes                                                      | N/A                                                | N/A                                                                    | N/A          | P- Adjust on 1040, Sch. 1, line 33.<br>I- Adjust on 1040, Sch. 1, line 37.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| DC    | Current                       | D.C. Code Ann. §47-1801.04(28A)                             | AGI                          | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | No                                            | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          | F- 100% bonus depreciation disallowed. Must enter difference for DC. Also affects basis on future returns.<br>I- Not allowed for years after Dec. 31 2008.<br>T- For individuals, trust and estates, allowed only to the extent it's allowed for federal purposes. For other corporate and non corporate business entities, there is not a special increase provided for appreciated real property donated for conservation purposes over the regular 15% limit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| DE    | Current, Modified             | Del. Code Ann. 30 §1101                                     | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Some Limits                              | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          | O- Follows carry-back time frame but limits NOL to \$30K                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GA    | 1-Jan-11                      | Ga. Code Ann. §48-1-2(14)                                   | AGI                          | N/A                                                                      | No                                  | No                                         | No                                                                                                        | No                                                   | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes          | *GA advanced IRC conformity to 1/1/11 on 04/27/11.<br>H- 179(b)(1) limit = \$250K for 2010 & 2011; 179(b)(2) limit = \$800K for 2010 & 2011<br>M- Does not conform to IRC § 164(a)(6) , motor vehicle sales tax standard deduction for purchases after February 16, 2009 and before January 1, 2010.<br>R- GA conforms to IRC enacted on or before 1/1/10, which does not include provisions of the 2010 Health Care Act (P.L. 111-148, 03/23/2010). But because Georgia uses federal adjusted gross income as the starting point for calculating state taxable income Georgia will follow the federal treatment of insurance benefits under the Affordable Care Act. Ga. Code Ann. §48-1-2(14)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| HI    | 31-Dec-10 exceptions | Haw. Rev. Stat. §235-2.3 - §235-3                                                                                                     | AGI                          | No                                                                       | No                                  | No                                         | No                                                                                                        | No                                                   | No                                | No                                           | No                                     | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | No                                                 | No                                                                     | Hawaii enacted legislation that updates certain itemized deduction provisions to IRC §§ 68 and 164. See Hawaii SB570 (effective July 1, 2011, and applicable to taxable years beginning after December 31, 2010).<br>F- Adjust on Form N-11, line 10.<br>G- HI limit is \$25K; phaseout begins at \$200K. HI does not allow a \$179 deduction for off-the-shelf software.<br>J- Adjust on Form N-11, line 10 or Form N-11, line 18, whichever line is applicable.<br>K- Enter addition on Form N-11, Line 10.<br>L- Enter addition on Form N-11, Line 10. See Haw. Rev. Stat. §235-2.3(b)(16).<br>M- Income limits apply; See HI IN-11, line 21b instructions. Hawaii does not conform to section 164(a)(6) and 164(b)(6), which provide an itemized deduction for general excise tax on sales of most new motor vehicles purchased on or after February 17, 2009 and before January 1, 2010 (ARRA provision).<br>Q- Haw. Rev. Stat. §235-2.4(d) |
| IA    | 1-Jan-11             | Iowa Code §422.3(5) ; Iowa Code §422.32(7)                                                                                            | Adopt Fed income lines       | Yes                                                                      | No                                  | Yes                                        | No                                                                                                        | No                                                   | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | No                                                                     | F- Some depreciation adopted for prior years; Iowa expanded instructions provide further detail of adjustments required.<br>P- See Iowa Code § 422.3<br>Q- See Iowa Code §422.7(16) ; Iowa Admin. Code §701-40.27.<br>R- The value of health care coverage provided for a nonqualified dependent ages 25 and 26 is not subject to Iowa income tax. This will result in the same treatment of health care coverage for nonqualified dependents for both federal and Iowa income tax purposes. In addition, to the extent the value of health insurance for nonqualified dependents up to age 25 was included as income on the federal return, an adjustment should be made on line 24 of the IA 1040.                                                                                                                                                                                                                                             |
| ID    | 1-Jan-11             | Idaho Code §63-3004(a)                                                                                                                | AGI                          | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | No                                           | Yes                                    | No                                            | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | *Idaho advanced conformity to IRC as of 1/1/11, with specific exceptions relating to bonus depreciation. Idaho has specific state legislation re: educator expense notwithstanding other conformity.<br>K- Adjust on Form ID-39R, line 5. See Idaho Code §63-3022O(2).<br>M- Add back state/local sales taxes on Form ID40, line 15.<br>P- See Idaho Code § 63-3004.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| IL    | Current              | ILCS c. 35 § 5/1501(a)(11)                                                                                                            | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | F- Although Illinois conforms to bonus depreciation under the 2010 Tax Relief Act, it did not adopt the federal bonus depreciation and additional changes provided in IRC § 168(k) made by the Small Business Jobs Act of 2010.<br>M- IL does not allow itemized deductions.<br>P - See 35 ILCS c. 5/1501                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| IN    | 1-Jan-11             | Ind. Code §6-3-1-11(b) Kan. Stat. Ann. §79-32,109(a)                                                                                  | AGI                          | Yes                                                                      | No                                  | No                                         | No                                                                                                        | No                                                   | No                                | No                                           | No                                     | N/A                                           | No                                                           | No                                       | No                                           | No                                    | Yes                                                      | Yes                                                | No                                                                     | *On 05/10/11, IN advanced conformity to IRC as of 1/1/11. However, IN continues to decouple from many federal provisions.<br>F-T- Most adjustments are made on Schedule 1. Specific add-back codes apply.<br>G- Indiana ceiling of \$25,000 remains in effect.<br>K & L - Taxpayers may adjust for a 2010 deduction taken on the 2011 tax return in lieu of amending 2010 return. Use codes 323 and 324. Prior year add-back policy (reporting 2 years on the same return) was established on 6/24/2011.<br>O- 5-year carry-back allowed for 2001 and 2002. Effective 1/1/12, no carry-back is allowed after 12/31/2011.                                                                                                                                                                                                                                                                                                                         |
| KS    | Current              |                                                                                                                                       | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KY    | 31-Dec-06 exceptions | Ky. Rev. Stat. Ann. §141.010(3)                                                                                                       | AGI                          | N/A                                                                      | No                                  | No                                         | No                                                                                                        | No                                                   | No                                | Yes                                          | Yes                                    | No                                            | Yes                                                          | No                                       | No                                           | No                                    | No                                                       | No                                                 | No                                                                     | F- For property placed in service after September 10, 2001, only the depreciation deductions allowed under IRC § 168 in effect on 12/31/2001, exclusive of any amendments made subsequent to that date, are allowed.<br>G- Kentucky conforms to IRC §179 in effect on 12/31/2001 but has not adopted subsequent federal changes.<br>I- For taxable years beginning on or after 1/1/10, Kentucky decouples from the federal domestic production activities deduction and instead provides that the amount of the deduction be calculated at 6% as was allowed by IRC § 199(a)(2) for taxable years beginning before 2010.<br>O- NOL carry-backs are not allowed for losses incurred for taxable years beginning on or after 1/1/2005.<br>P- See KRS § 141.010.<br>Q- Adjust on Schedule M, Part 1, Line 7.                                                                                                                                        |
| LA    | Current              | La. Rev. Stat. Ann. § 47:290 ; La. Rev. Stat. Ann. § 47:293(1)                                                                        | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| MA    | 1-Jan-05             | Mass. Gen. L. c. 62 §1 Md. Code Ann. Tax-Gen. § 10-108 ; Md. Code Ann. Tax-Gen. § 10-204(i) ; Md. Code Ann. Tax-Gen. § 10-210.1(b)(3) | None                         | N/A                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | N/A                                          | N/A                                    | N/A                                           | N/A                                                          | N/A                                      | No                                           | No                                    | N/A                                                      | N/A                                                | N/A                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| MD    | Current              |                                                                                                                                       | Taxable Income               | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | No                                     | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | F- Maryland has permanently decoupled from any federal changes to IRC § 168(k).<br>G- Maryland has permanently decoupled from any federal changes to IRC § 179.<br>I- See Md. Code Ann. Tax-Gen. § 10-204(i)<br>O- Maryland maintains a 2-year carry-back.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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| ME    | 31-Dec-10          | Me. Rev. Stat. Ann. 36 § 111(1-A)                                                     | AGI                          | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | No                                     | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | No                                                 | Yes                                                                    | *Conformity with IRC applies unless otherwise stated in ME law. See 36 MRSA § 111(1-A).<br>F- Adjust on Sch. 1, line 1e. See 36 MSRA Sec 5122(a)(AA)<br>G- The new law allows expensing up to \$500K for property placed in service in 2011. See 36 MRSA § 5122(1)(N).<br>I- Adjust on Sch. 1, line 1d. See 36 Me. Rev. Stat. Ann. Sec 5122(1)(X)<br>L- Adjust on Sch. 1, line 1h. See Me. Rev. Stat. Ann. 36 § 5122(1)(Q)<br>O- See 36 Me. Rev. Stat. Ann. Sec 5122(2)(P)<br>P- Specifically decoupled. See 36 Me. Rev. Stat. Ann. Sec 5122(1)(CC)<br>S- For tax years beginning on or after 1-1-12, ME will allow the deduction of mortgage insurance premiums. See 36 MRSA § 5125(3)(F).                                                                                                                                                                                                                                                                                                            |
| MI    | Taxpayer Option    | Mich. Comp. Laws Ann. § 206.12(3)                                                     | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | N/A                                                | N/A                                                                    | * Conformity date is 1/1/96 or current. Taxpayer can elect to use current year IRC.<br>O- MI NOL only. Federal NOL must be added back to extent deducted in computing federal AGI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MN    | 14-Apr-11          | Minn. Stat. §289A.02, Subd. 7 ; Minn. Stat. §290.01, Subd. 31 .                       | Taxable Income               | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | No                                            | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | *MN passed conformity bill HF451 on 03/21/11 advancing conformity to IRC as of Dec 31, 2010. Subsequently, and effective 7/21/11, MN adopted IRC as amended through 4/14/2011. If a taxpayer filed a 2010 Form M1 and reported an amount on Sch. M1M, Line 9, and/or included Schedule M1NC, the Department will review filed returns that reported an amount on Sch. M1M, Line 9, and/or included Sch.M1NC to determine if adjustments are required based on available information. When possible, the Department will make needed adjustments, notify taxpayers of changes and send any additional refunds due. Taxpayers will be notified if further action is required by them.<br>F- Adjust on Sch. M1M, line 6 & 21. Add back 80% of the federal bonus depreciation to MN return in the first year and then 20% of the add-back amount can be subtracted in each of the next 5 years.<br>G- Adjust on Sch. M1M, line 7 & 22.<br>I- Adjust on Sch. M1M, line 9. See Minn. Stat. §290.01(19c)(17). |
| MO    | Current            | Mo. Rev. Stat. §143.091                                                               | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | F- Conforms to current bonus depreciation provisions. However, MO decoupled from the federal 30% bonus depreciation for property acquired and placed in service after 09/10/2001 and before 09/11/2004.<br>O- MO allows 2 NOL carry-back. Mo. Rev. Stat. § 143.121(2)(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| MS    | Current or N/A     | N/A                                                                                   | None                         | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | N/A                                          | N/A                                    | No                                            | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | * MS does not have a specific conformity provision, but incorporates some of the provisions by reference.<br>F- Adjust on Sch N.<br>O- See Miss. Code Ann. § 27-7-17(1)(l)<br>M- Adjust on Sch A, line 2b.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| MT    | Current            | Mont. Code Ann. § 15-30-2101(13)                                                      | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | O- See Mont. Code Ann. § 15-30-2119                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| NC    | 1-Jan-11           | N.C. G.S. 105-228.90(b)(1b)                                                           | Taxable Income               | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | No                                            | N/A                                                          | Yes                                      | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | *NC passed HB124 advancing conformity to IRC as of 1/1/11. The bill continues to decouple NC from federal depreciation and §179 provisions.<br>F - Adjust on D-400, line 38 & 48.<br>G- Adjust on D-400, line 39 & 49.<br>I- Adjust on D-400, line 30. See N.C. Gen. Stat. §105-130.5(a)(17)<br>M- Adjust on D-400, line 34.<br>O- Some modifications for prior year federal tax law changes and no current conformity to SBJA for 5 yr carry-back.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ND    | Current            | § 57-38-01                                                                            | Taxable Income               | N/A                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | I- See N.D. Cent. Code §57-38-01.3(1)(i)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| NE    | Current            | R.R.S. Neb. § 77-2714                                                                 | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| NH    | 31-Dec-00          | RSA 77-A:1                                                                            | None                         | N/A                                                                      | N/A                                 | N/A                                        | No                                                                                                        | No                                                   | N/A                               | N/A                                          | N/A                                    | N/A                                           | N/A                                                          | No                                       | No                                           | N/A                                   | N/A                                                      | N/A                                                | N/A                                                                    | *NH imposes an interest and dividends tax, so all personal income tax issues are N/A. NH does impose a business profits tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| NJ    | None               | Smith v. Director, Division of Taxation, N.J. Sup. Ct., (1987) 108 NJ 19, 527 A2d 843 | None                         | N/A                                                                      | No                                  | No                                         | N/A                                                                                                       | No                                                   | N/A                               | N/A                                          | N/A                                    | N/A                                           | N/A                                                          | No                                       | No                                           | N/A                                   | Yes                                                      | N/A                                                | N/A                                                                    | F- For property placed in service on or after January 1, 2004, the depreciation deduction otherwise allowed must be determined under the Internal Revenue Code as in effect on December 31, 2001.<br>F & G- For property placed in service on or after January 1, 2004, the costs that a taxpayer may otherwise elect to treat as an expense which is not chargeable to a capital account must be determined under IRC in effect on December 31, 2002.<br>I- Exception for tangible personal property.<br>R- NJ conforms to the federal income tax treatment for employer-provided coverage for adult/non-dependent children. However, NJ does not conform to employee paid coverage deemed under federal law to be employer coverage and employer provided reimbursements (i.e., employer-sponsored flex spending accounts). This would be taxable wages in NJ. Additionally, the NJ deduction for qualified medical expenses does not extend to adult non-dependent children.                        |
| NM    | Current            | N.M. Stat. Ann. § 7-2A-2                                                              | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | N/A                               | Yes                                          | Yes                                    | No                                            | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | M - Adjust on PIT-1, line 7<br>O - Adjust on PIT-ADJ, line 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| NY    | Current            | N.Y. Tax Law § 612(a)                                                                 | AGI                          | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | No                                            | Yes                                                          | No                                       | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | F- For tax years beginning after 2002, for acquisitions made after May 31, 2003, the state tax law decouples from the federal bonus depreciation provisions, aside from the special depreciation allowance for qualified resurgence zone property and New York Liberty Zone property.<br>G- Does not allow deduction for sport utility vehicles.<br>I- No for tax years beginning on or after 1/1/08; Yes for tax years beginning prior to 1/1/08.<br>*Ohio advanced conformity to IRC as of 03/07/11. They decouple only as to §179 expensing limits and some bonus depreciation.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| OH    | 7-Mar-11           | OH RCA § 5701.11                                                                      | AGI                          | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | F & G- Adjust on Sch. A line 33(g) & 45(f) for bonus depreciation & § 179 differences.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| OK    | Current            | Okla. Stat. 68 § 2353(3)                                                              | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | O- See OK 511-B, line B4 and OK Form 511-NOL for specific differences in carry-back provisions between OK and IRC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| State | B - IRC Conformity | C - Statute Reference                                                    | D - Federal Income Reference | E - SE Health Insurance Deductible in Calculating SE Tax IRC § 162(l)(4) | F - Bonus Depreciation IRC § 168(k) | G - IRC § 179 Expensing Limits & Phaseouts | H - Increased Depreciation for certain Leasholds, Restaurant Prop, etc. IRC § 168(e)(3)(E) & 168(e)(8)(E) | I - Domestic Production Activity Deduction IRC § 199 | J - Startup Expenses IRC § 195(b) | K - K-12 Educator Expenses IRC § 62(a)(2)(D) | L - Tuition & Fees Deduction IRC § 222 | M - State Sales Tax Deduction IRC § 164(b)(5) | N - IRA Qualified Charitable Distribution IRC § 408(d)(8)(F) | O - NOL 5 Year Carryback IRC § 172(b)(1) | P - Cancellation of Debt Income IRC § 108(i) | Q - Mortgage Forgiveness IRC § 108(a) | R - Health Care for Nonqualified Dependents IRC § 105(b) | S - Mortgage Insurance Premiums IRC § 163(h)(3)(E) | T - Contributions of Real Property for Conservation IRC § 170(b)(1)(E) | Column Notes                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|--------------------|--------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------|-------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------|----------------------------------------------|----------------------------------------|-----------------------------------------------|--------------------------------------------------------------|------------------------------------------|----------------------------------------------|---------------------------------------|----------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OR    | 31-Dec-10          | ORS § § 317.010(7) & 317.013                                             | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | * On 03/09/11, OR advanced conformity to current IRC as of 12/31/11.<br>F - Conforms for TY11. For property acquired in 2009 and 2010, OR does not conform to the 50% federal bonus depreciation. Qualified property placed in service during these tax years requires an addition in the 1st year and a subtraction in the 2nd and later tax years.<br>I - See Or. Rev. Stat. §317.398 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| PA    | 1-Jan-97 or N/A    | Pa. Stat. Ann. 72 § 7301                                                 | None                         | N/A                                                                      | No                                  | No                                         | N/A                                                                                                       | No                                                   | N/A                               | N/A                                          | N/A                                    | N/A                                           | No                                                           | No                                       | N/A                                          | N/A                                   | N/A                                                      | N/A                                                | N/A                                                                    | N/A                                                                                                                                                                                                                                                                                                                                                                                     | F - On personal income tax returns, PA requires straight-line depreciation due to on-going federal and PA basis differences. For corporate returns, PA allows 100% bonus depreciation for assets placed in service in the 4th Q of 2010 and all of 2011. See PA Corp. Tax Bulletin 2011-01.<br>G - For personal income tax, the §179 limit is \$25K (as imposed per the IRC as of 1/1/97). PIT phase-out begins at \$200K. Corp returns conform to current federal limits.<br>N - Most distributions from pension plans or IRA's are not taxable for PA.<br>F - Adjust on RI Sch. M, line 1(D) & 2(I).<br>G - Adjust on RI Sch. M, line 1(E) & 2(J). \$25K limit.<br>O - See R.I. Gen. L. §44-30-87.1<br>P - Adjust on RI Sch. M, line 1(I) & 2(U). See R.I. Gen. L. § 44-67-1.            |
| RI    | Current            | R.I. Gen. L. § 44-30-2.6 & 44-30-2.10                                    | AGI                          | Yes                                                                      | No                                  | No                                         | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | N/A                                                                                                                                                                                                                                                                                                                                                                                     | * On 04/12/11, SC advanced conformity to IRC as of 12/31/11. S.C. Code Ann. §12-6-50 provides a list of IRC sections specifically not adopted by SC. Therefore, except as otherwise provided in that section, when the annual SC conformity amendment becomes effective, IRC provisions that went into effect during the preceding year are retroactively adopted and considered to have the same effective date as they had for federal income tax purposes. Any nonconforming adjustments on SC-1040, line 1(e) unless otherwise stated.<br>F - See S.C. Code Ann. §12-6-50(4)<br>I - See S.C. Code Ann. §§12-6-50(7) & 12-6-1130(13)<br>M - Adjust on SC-1040, line 1(a). See S.C. Code Ann. §12-6-1130(2)<br>O - See S.C. Code Ann. §12-6-50(6)<br>P - See S.C. Code Ann. §12-6-50(5a) |
| SC    | 31-Dec-10          | S.C. Code Ann. §§12-6-40 & 12-6-50                                       | Taxable Income               | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | No                                            | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | No                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| TN    | N/A                | N/A                                                                      | none                         | N/A                                                                      | N/A                                 | N/A                                        | N/A                                                                                                       | Yes                                                  | N/A                               | N/A                                          | N/A                                    | N/A                                           | N/A                                                          | N/A                                      | N/A                                          | N/A                                   | N/A                                                      | N/A                                                | N/A                                                                    | N/A                                                                                                                                                                                                                                                                                                                                                                                     | *TN does not impose a personal income tax, but does impose an interest and dividends tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| UT    | Current            | Utah Code Ann. § 59-7-101(19)                                            | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | Yes                                                  | N/A                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| VA    | 31-Dec-10          | V.A. Code Ann. §58-1-301                                                 | AGI                          | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | Yes w/modifications                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | No                                       | No                                           | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                     | I-2/3 of DPAD is allowed.<br>O - VA will continue to disallow any 5-year carry-back for NOLs generated in either taxable year 2008 or 2009.<br>P - VA will continue to disallow the income tax exclusions related to cancellation of debt income realized in connection with a reacquisition of business debt at a discount after 12/31/08 and before 1/1/11.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| VT    | 1-Jan-09           | 32 V.S.A. §5824                                                          | Taxable Income               | Yes                                                                      | No                                  | Yes                                        | Yes                                                                                                       | Yes                                                  | Yes                               | Yes                                          | Yes                                    | Yes                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                     | F - Adjust on VT IN-111, line 12b & 14c.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| WI    | 31-Dec-10          | § 71.01(6)(un) (current IRC reference); 71.05 - computation of WI income | AGI                          | No                                                                       | No                                  | No                                         | No                                                                                                        | No                                                   | Yes w/modifications               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | No                                       | Yes                                          | No                                    | Yes                                                      | No                                                 | Yes                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                     | *WI maintains a fixed date conformity to IRC as of 12/31/2010. Conformity adjustments should generally be made on WI Schedule I.<br>F & H - Depreciation is determined under the provisions of IRC in effect on 12/31/2000. See Wis. Stat. §71.01(7)(a).<br>G - \$179 limit of \$25k & phase-out of \$200K.<br>J - Maximum amount of start-up expenditures for WI is \$5K.<br>N - The amount distributed from an IRA and transferred to a qualified charitable organization is included in income. However, the amount transferred from an IRA to a qualified charitable organization is allowed as an itemized deduction for purposes of computing the Wisconsin itemized deduction credit.                                                                                               |
| WV    | 31-Dec-10          | WV Code § 11-21-9                                                        | AGI                          | Yes                                                                      | Yes                                 | Yes                                        | Yes                                                                                                       | No                                                   | Yes                               | Yes                                          | Yes                                    | N/A                                           | Yes                                                          | Yes                                      | Yes                                          | Yes                                   | Yes                                                      | Yes                                                | Yes                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                     | *WV passed personal income tax and corporate conformity legislation on 02/18/2011.<br>I - Reported as an increasing modification on Schedule M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |