



# State Tax Matters

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## **Multistate Tax Alert**

### **Colorado Enacts Tax Changes in Response to OBBBA**

On August 28, 2025, several Colorado bills making changes to the State's business tax landscape were enacted into law after a special legislative session was called in response to the enactment of Public Law 119-21, 139 Stat. 72, commonly known as the One Big Beautiful Bill Act ("OBBBA"), enacted on July 4, 2025. The new Colorado laws extend indefinitely the existing state law provisions requiring certain taxpayers to add back qualified business income (QBI) deductions and grant the State expanded authority to tax income from foreign subsidiaries. Additional provisions enacted during the special legislative session authorize the sale of insurance premium tax credits to insurance companies and income tax credits to C corporations operating in Colorado and eliminate the Colorado sales tax vendor fee beginning January 1, 2026.

This Multistate Tax Alert focuses on key provisions of Colorado House Bills 25B-1001 and 25B-1002.

URL: <https://www.deloitte.com/content/dam/assets-zone3/us/en/docs/services/tax/2025/colorado-enacts-tax-changes-in-response-to-obbba.pdf>  
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## **Amnesty/Administrative**

### **Illinois – Bulletin Explains that Amnesty Program Offering Potential Interest and Penalty Waiver Begins October 1**

*Informational Bulletin FY 2026-01: 2025 Illinois Tax Delinquency Amnesty Act*, Ill. Dept. of Rev. (8/25). The Illinois Department of Revenue (Department) posted a bulletin on its implementation of Illinois' upcoming tax amnesty program pursuant to recently enacted legislation [see *H.B. 2755 (Public Act 104-0006)*, signed by gov. 6/16/25, and *previously issued Multistate Tax Alert* for more details on this Illinois legislation], which authorized a program that will run from October 1, 2025, through November 17, 2025, and apply to taxes collected by the Department (e.g., state corporate and personal income taxes, and sales and use taxes) for liabilities not reported or paid for tax periods ending after June 30, 2018, and prior to July 1, 2024. In exchange for participating in this program, qualifying tax amnesty applicants potentially may receive a waiver of all related penalties and interest. Among the topics addressed, the bulletin explains that taxpayers undergoing an audit or that have a case pending with the Department's Board of Appeals, Administrative Hearings, or the Independent Tax Tribunal may still be eligible to participate in the amnesty program.

Note that additional updates on the amnesty program's implementation can be found on the Department's "*Programs: 2025 Illinois Tax Amnesty*" webpage.

Please contact us with any questions.

**Brian Walsh** (Chicago)  
Tax Managing Director  
Deloitte Tax LLP  
[briawalsh@deloitte.com](mailto:briawalsh@deloitte.com)

**Mary Pat Kohberger** (Chicago)  
Tax Managing Director  
Deloitte Tax LLP  
[mkohberger@deloitte.com](mailto:mkohberger@deloitte.com)

**Robyn Staros** (Chicago)  
Tax Managing Director  
Deloitte Tax LLP  
[rstaros@deloitte.com](mailto:rstaros@deloitte.com)

**Chase Christopherson** (Chicago)  
Tax Managing Director  
Deloitte Tax LLP  
[cchristopherson@deloitte.com](mailto:cchristopherson@deloitte.com)

**Alice Fan** (Chicago)  
Tax Manager  
Deloitte Tax LLP  
[alicfan@deloitte.com](mailto:alicfan@deloitte.com)

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## New Jersey – Division of Taxation Reminds that 24-Month Mediation Pilot Program Begins October 1

*Tax Bulletin No. TB-115(R): Mediation Pilot Program for Corporation Business Tax and Sales and Use Tax*, N.J. Div. of Tax. (rev. 9/2/25). The New Jersey Division of Taxation (Division) posted an updated tax bulletin [see *State Tax Matters, Issue 2025-15*, for details on the mediation pilot program bulletin as originally posted] on its upcoming mediation pilot program that begins on October 1, 2025, and offers “a new option allowing taxpayers to resolve certain types of state tax controversies with the expectation of reducing the number of protests progressing to the Conference and Appeals Branch (“CAB”) and the complaints filed with the New Jersey Tax Court.” According to the Division, this program will run for 24 months from October 1, 2025, to September 30, 2027, and will be limited to certain controversies involving New Jersey’s corporation business tax (CBT) and sales and use taxes “for all business entity types.” The program will involve an informal meeting between the Division’s audit representatives and a taxpayer or taxpayer representative with a trained mediator who will guide the discussion and process.

Among other changes, the updated bulletin includes links to [general information](#) on the pilot program and the “*Mediation Pilot Program FAQ* (FAQ).” In addition, the “Mediation Process and Case Eligibility/Application Procedure” section within the bulletin has been updated to reflect emerging procedures – and notes that as more program procedures are formalized, the Division will continue to update the bulletin as needed. The Division also explains that in an effort to streamline the bulletin, some information was moved to the FAQ and reworded as a question.

Please contact us with any questions.

**Norm Lobins** (Cleveland)  
Tax Managing Director  
Deloitte Tax LLP  
[nlobins@deloitte.com](mailto:nlobins@deloitte.com)

**Stephanie Csan** (Morristown)  
Tax Managing Director  
Deloitte Tax LLP  
[scsan@deloitte.com](mailto:scsan@deloitte.com)

**Drew VandenBrul** (Philadelphia)  
Tax Managing Director  
Deloitte Tax LLP  
[dvandenbrul@deloitte.com](mailto:dvandenbrul@deloitte.com)

**Kevin Friedhoff** (Morristown)  
Tax Senior Manager  
Deloitte Tax LLP  
[kfriedhoff@deloitte.com](mailto:kfriedhoff@deloitte.com)

**Steve Martin** (Morristown)  
Tax Senior Manager  
Deloitte Tax LLP  
[stevenmartin@deloitte.com](mailto:stevenmartin@deloitte.com)

**Felix Rivera** (Morristown)  
Tax Senior Manager  
Deloitte Tax LLP  
[ferivera@deloitte.com](mailto:ferivera@deloitte.com)

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## Income/Franchise

### Nebraska – DOR Releases Report on the Projected Impact of OBBBA on State Tax Revenue

*Effects of the One Big Beautiful Bill Act on the State of Nebraska's Tax Revenue*, Neb. Dept. of Rev. (9/2/25). The Nebraska Department of Revenue (Department) released a report on the Nebraska tax revenue implications of the recently enacted federal One Big Beautiful Bill Act (commonly referenced as “OBBBA” and more formally as P.L. 119-21), commenting that because Nebraska is a “rolling conformity” state with respect to the federal tax code, “any changes in the federal tax code may affect the Nebraska Revenue Act of 1967, thereby influencing Nebraska tax receipts.” The report summarizes the major corporate and individual income tax provisions of the OBBBA and their impact on Nebraska tax receipts – both Nebraska individual and corporate income tax receipts. Among the findings, it concludes that the OBBBA changes to the limitation on the business interest expense deduction “generally allow for higher deductions which decreases taxable income for a corporation and decreases Nebraska corporation income tax receipts.” Addressing and detailing OBBBA's various international tax provisions (e.g., global intangible low-taxed income (GILTI), now known as net controlled foreign corporation tested income (NCTI), and foreign-derived intangible income (FDII), now known as foreign-derived deduction eligible income (FDDEI)), the report concludes that “on net, changes to the federal international tax provisions reduce federal taxable income for multinationals, thereby decreasing Nebraska's corporation income tax receipts.” Based on various sources listed in the report, the Department estimates the impact of the main provisions of the OBBBA affecting Nebraska income tax totals over \$400 million in revenue losses over a four-year period. Please contact us with any questions.

**Sarah Murray** (Omaha)  
Tax Principal  
Deloitte Tax LLP  
[sarmurray@deloitte.com](mailto:sarmurray@deloitte.com)

**Natalie Rogozinsky** (Chicago)  
Tax Senior Manager  
Deloitte Tax LLP  
[nrogozinsky@deloitte.com](mailto:nrogozinsky@deloitte.com)

**Brigitta Greg** (Chicago)  
Tax Manager  
Deloitte Tax LLP  
[bgreg@deloitte.com](mailto:bgreg@deloitte.com)

## **Oregon – Two Revenue Forecast Reports Address Projected State Tax Implications of OBBBA**

*Oregon Economic and Revenue Forecast*, Or. Dept. of Admin. Services (8/27/25); *The Impact of Title VII (of H.R. 1) on General Fund Revenue*, Or. Legis. Rev. Off. (8/27/25). The Oregon Department of Administrative Services (DAS) and Oregon Legislative Revenue Office (LRO) each posted reports addressing Oregon budgetary implications of the recently enacted federal One Big Beautiful Bill Act (commonly referenced as “OBBBA” and more formally as P.L. 119-21). Among the findings, the DAS report concludes that OBBBA’s business tax provisions pertaining to “bonus depreciation and expensing” are estimated to have a “\$351 million downward impact” on General Fund revenue in the 2025-27 biennium, while its provisions pertaining to research and experimental expenditures and the business interest deduction are estimated to have a \$166 million and \$26 million “downward impact,” respectively. Overall, according to the DAS report, the total OBBBA impact in the current biennium “will be an \$888 million dollar reduction across personal and corporate income taxes.”

The LRO report generally explains that Oregon’s “rolling reconnect” policy means Oregon is continuously tied to the definition of federal taxable income for state personal and corporate income taxes. Accordingly, to the extent the OBBBA changes the calculation of federal taxable income, “those changes automatically affect Oregon tax liability.” The LRO report includes a more comprehensive table summarizing the estimated impacts on Oregon’s General Fund due to these federal tax law changes, including an itemized listing of the OBBBA’s personal and corporate income tax provisions and some discussion on policy surrounding them. Please contact us with any questions.

**Scott Schiefelbein** (Portland)  
Tax Managing Director  
Deloitte Tax LLP  
[sschiefelbein@deloitte.com](mailto:sschiefelbein@deloitte.com)

**Sara Clear** (Minneapolis)  
Tax Senior Manager  
Deloitte Tax LLP  
[sclear@deloitte.com](mailto:sclear@deloitte.com)

**Sherfón Pfirman** (Dallas)  
Tax Manager  
Deloitte Tax LLP  
[shpfirman@deloitte.com](mailto:shpfirman@deloitte.com)

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## **Property**

### **California – State High Court Overturns Appellate Court to Hold that Income from Some Intangibles May Be Considered in Real Property Assessment**

*Case No. S280000*, Cal. (8/28/25). In a case involving the property tax assessment of hotel real property, the California Supreme Court (Court) reversed a 2023 California Court of Appeals decision to hold that a county assessor was allowed to include certain occupancy tax and “key money” payments when assessing the hotel’s value under the income approach as part of the hotel’s taxable income. In doing so, the Court noted that the important inquiry is not merely whether the occupancy tax and key money payments derive from intangible assets, but rather whether those forms of revenue represent income that is primarily attributable to enterprise activity or whether they constitute “income of the real property or on account of its beneficial use,” which was the situation here. Specifically, the Court concluded that both payments derive from a type of intangible asset that effectively enables the property itself – as opposed to the business operating the property – to generate more revenue. Regarding the valuation of three “enterprise assets” that were derived from the taxpayer’s management agreement with a hotel franchise, the Court affirmed that the county assessor’s deduction of the “management fee” did *not* remove all intangibles from the income stream and thus the valuation of these three assets must be remanded to the county’s assessment appeals board for further proceedings.

Under the taxpayer's occupancy tax agreement, the Court noted that the hotel generates an additional 14% in revenue every time a customer rents out a room, and this revenue source would continue regardless of who owns the hotel or how they run their business. With respect to the key money payments, the Court noted that the county assessor presented "undisputed evidence that management companies routinely pay owners of hotels that have certain desirable physical features (such as location, size or overall quality) key money as a means of securing the right to manage the property and advertise the hotel under the management company's brand." In this respect, the Court reasoned that much like a commercial lease, key money is a form of revenue that owners of desirable hotels expect to receive in exchange for assigning a management company the right to make beneficial use of the property. Please contact us with any questions.

**Marcia Shippey-Pryce** (Atlanta)

Tax Managing Director

Deloitte Tax LLP

[mshippeypryce@deloitte.com](mailto:mshippeypryce@deloitte.com)

**Donna Empson-Rudolph** (Houston)

Tax Senior Manager

Deloitte Tax LLP

[dempsonrudolph@deloitte.com](mailto:dempsonrudolph@deloitte.com)

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