



## State Tax Matters

May 30, 2014

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### Income/Franchise:

#### **Maryland: New Law Reduces Interest Rate on Individual Income Tax Refunds from “Wynne” Case**

S.B. 172 signed by gov. 5/15/14. Applicable only to income tax refunds attributable to taxable years beginning after December 31, 2005, but before January 1, 2015, new law provides for an interest rate reduction for an income tax refund that is a result of the final decision under *Maryland State Comptroller of the Treasury v. Brian Wynne, et ux.* 431 Md. 147 (2013). More specifically, under this law, the annual interest rate for such refunds is set at a percentage, rounded to the nearest whole number, that is the percent that equals the average prime rate of interest quoted by commercial banks to large businesses during fiscal year 2015, based on a determination by the Board of Governors of the Federal Reserve Bank.  
**URL:** [http://mgaleg.maryland.gov/2014RS/chapters\\_noln/Ch\\_464\\_sb0172E.pdf](http://mgaleg.maryland.gov/2014RS/chapters_noln/Ch_464_sb0172E.pdf)

Note that under the *Wynne* case, the Maryland Court of Appeals held that the failure of Maryland individual income tax law to allow a credit against the county income tax for a Maryland resident taxpayer with respect to pass-through income of an S corporation that arose from activities in another state and that was taxed in that state violates the U.S. Commerce Clause. The U.S. Supreme Court has since granted the Maryland State Comptroller of the Treasury’s request for it to review the Maryland Court of Appeals’ 2013 ruling.

— Joe Carr  
Director  
Deloitte Tax LLP  
+1 (703) 251 1532  
[josecarr@deloitte.com](mailto:josecarr@deloitte.com)

### Articles:

#### **New York State Corporation Tax Reforms of 2014**

This spring, New York enacted sweeping tax legislation that changes many aspects of its state tax law. In this [article](#), Russell Banigan, Kenneth Jewell and Mary Jo Brady, of Deloitte Tax LLP, discuss New York’s current tax provisions and explain the major changes coming to the state’s corporate franchise tax in 2015.

**URL:** [http://www.deloitte.com/view/en\\_US/us/Services/tax/Multistate-Tax/9d61de8c4a916410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:053014](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/9d61de8c4a916410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:053014)

Among the major changes discussed are the unification of Article 32 (Franchise Tax on Banking Corporations) into Article 9-A (Franchise Tax on Business Corporations) and the modifications to the net income tax base, the state's move to a bright-line statutory nexus threshold to determine whether out-of state corporations are subject to corporate franchise tax and apportionment and combined reporting reforms.

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## Multistate Tax Alerts

What's new in the States? Our Multistate Tax Alerts highlight selected state tax developments relevant to taxpayers, tax professionals, and other interested persons. Read our more recent alerts below or visit the archive for ones you may have missed.

**Archives:** [http://www.deloitte.com/view/en\\_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax)

*No new alerts were issued this week. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.*

### Have a question?

If you have needs specifically related to this newsletter's content, send us an email at [clientsandmarketsdeloittetax@deloitte.com](mailto:clientsandmarketsdeloittetax@deloitte.com) to have a Deloitte Tax professional contact you.

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