



State Tax Matters

September 19, 2014

In this issue:

Income/Franchise: New Hampshire: Department of Revenue Administration Explains Increase in BPT Carryforward Period for "BET Credit"	1
Income/Franchise: Oregon: Administrative Rule Revisions Reflect "Tax Haven" Law; Clarify Sales Factor Computation.....	1
Multistate Tax Alerts.....	2

Income/Franchise:

New Hampshire: Department of Revenue Administration Explains Increase in BPT Carryforward Period for "BET Credit"

Technical Information Release TIR 2014-005, N.H. Dept. of Rev. Admin. (9/8/14). The New Hampshire Department of Revenue Administration explains that based on legislative changes enacted during 2011 which were further clarified via legislation enacted earlier this year, as of July 1 2014, any unused New Hampshire business enterprise tax (BET) credit from taxable periods ending *before* December 31, 2014 may be carried forward against the New Hampshire business profits tax (BPT) for *five* years from the taxable period in which it was paid; and any unused New Hampshire BET credit from taxable periods *ending on or after* December 31, 2014 may be carried forward against the BPT for *ten* years from the taxable period in which it was paid.

URL: <http://www.revenue.nh.gov/tirs/documents/2014-005.pdf>

— Bob Carleo
Director
Deloitte Tax LLP
+1 (617) 437 2349
rcarleo@deloitte.com

Income/Franchise:

Oregon: Administrative Rule Revisions Reflect "Tax Haven" Law; Clarify Sales Factor Computation

Amended Rules 150-314.665; 150-317.715, 150-317.314, Or. Dept. of Rev. (eff. 7/31/14). The Oregon Department of Revenue has finalized amended rules which:

URL: http://arcweb.sos.state.or.us/pages/rules/bulletin/0914_bulletin/0914_ch150_bulletin.html

- Clarify that intangible property associated with the incidental or occasional sale of a fixed asset, as well as sales tax receipts, are excluded from the sales factor computation; and
- Reflect legislation enacted in 2013 [*H.B. 2460*; see previously issued Multistate Tax Alert for more details on this legislation] that requires Oregon taxpayers to include the taxable income/loss of any corporation that is a member of a unitary group and that is incorporated in listed “tax havens” in the Oregon consolidated return for purposes of determining Oregon taxable income.

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/f8394faebce50410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:091914

— Scott Schiefelbein
Senior Manager
Deloitte Tax LLP
+1 (503) 727 5382
sschiefelbein@deloitte.com

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

Enacted Michigan Law Retroactively Repeals the Multistate Tax Compact and Provides Retroactive MBT Changes

On September 11, 2014, Michigan Governor Snyder signed Senate Bill 156 (“SB 156”), repealing retroactively MCL §§ 205.581 to 205.589, the Multistate Tax Compact (“Compact”) provisions of Michigan law, and adopting various retroactive amendments to the Michigan Business Tax (“MBT”) Act. This new law comes on the heels of the July 14, 2014, Michigan Supreme Court decision in *International Business Machines v. Michigan Department of Treasury* (“*IBM*”). In *IBM* the court held that the taxpayer could elect to compute both the Modified Gross Receipts Tax and the Business Income Tax components of its 2008 MBT liability using the Compact election (Compact Article III) in lieu of the 100% sales-weighted apportionment formula under the MBT Act. By application of the Compact election, the taxpayer was allowed to use an equally-weighted, three-factor apportionment formula (property, payroll and sales).

This Multistate Tax Alert summarizes the retroactive repeal of the Compact and certain retroactive MBT amendments contained in SB 156; it also provides taxpayer considerations in light of these law changes.

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/f54e2ffefc8e7410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:091914

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_MI_081514.pdf?id=us:em:na:stm:eng:tax:091914

Have a question?

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

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Disclaimer

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.