



Multistate tax controversy services

Apportionment issues

Over 900 multistate tax professionals.
Recognized direct and indirect tax technical knowledge; extensive experience defending tax positions and proactively resolving tax disputes in most state and local tax jurisdictions.



Common apportionment issues

- Does your company spend too much or too little time considering apportionment issues?
- Does your company have trouble identifying and retaining the necessary data for apportionment calculations?
- Is your company engaging in activities and transactions that may complicate apportionment calculations?
- Does your company have trouble determining what items may be included in certain states' apportionment formulas?
- Is your company concerned that it may be overpaying tax based upon its current apportionment computations?
- Has your company been contacted by state and local tax authorities regarding apportionment?



Apportionment trends to consider

- Market-based vs. cost of performance sourcing
- Operational approach or transactional approach for defining the income producing activity (for cost-based sourcing)
- Evolving bright-line nexus standards
- Characterization of revenue streams (e.g., TPP or intangible?)
- Unique aspects of property and payroll factors
- MTC three-factor litigation



How we can help you

- Determine whether your company's existing apportionment practices reflect its business activity in the states where it does business
- Analyze e-commerce and traditional revenue streams for state apportionment purposes
- Explore property and payroll factor calculations to determine whether alternative calculations may be permitted
- Consider whether special industry rules apply or may apply to your company based on state-specific requirements
- Facilitate the transition to new apportionment methods being implemented in many states
- Assist with the negotiation of special apportionment agreements with state tax authorities



Why Deloitte?

- Deloitte's Jurisdictional Technical Leads— designated, experienced professionals in each state who are available to address state-specific tax matters that may be routine or distinct in nature. Our State Tax Desk personnel:
 - Can assist in controversy matters or, if no imminent controversy, can analyze current apportionment practices
 - Provide controversy experience that includes tax audit, conciliation, and appeals
 - Can offer familiarity with audit and appeals processes and can leverage their knowledge and experience developed from working with state tax authorities
 - In many cases are alumni of state tax agencies

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