



## Multistate tax controversy services

### Be proactive—State rulings, voluntary disclosure, alternative apportionment

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.



#### When to be proactive

- Your company is entering new markets or expanding into new or emerging business lines
- “One-size-fits-all” state rules don’t fit your company
  - Statutory rules do not reflect your distinct or complex revenue streams
  - You have unique, industry-specific issues that state statutes do not directly address
- Uncertainty surrounding your state tax footprint and filing methods
- Recently passed or pending state law changes exist that may impact your company
- Identified potential filing errors



#### Why be proactive?

- Establish positions and potentially mitigate risk
- Frame your company’s message and story
  - Present your facts and position in advance of auditor’s initial research and possible preconceptions
- Approach the taxing jurisdiction anonymously, if desired
  - Gives you time to investigate and establish facts
  - Allows for planning opportunities to help mitigate risk going forward
  - Creates, where appropriate, the ability to bring the case forward through a voluntary disclosure agreement (VDA)
- Being proactive can potentially:
  - Yield better results than being reactive (e.g., an advance ruling is often more cost effective than audit defense)
  - Improve accuracy of financial statement estimates



#### Why Deloitte?

- Our in-depth knowledge of each tax jurisdiction’s processes and procedures
  - State-specific processes vary — Deloitte’s national network of professionals, who can leverage their experience developed from working with state tax agencies, means we have the knowledge to help your company complete and submit ruling requests quickly and efficiently
- Deloitte can help you determine the leading procedure for your company
  - Just as state laws may not fit your company, the ruling process shouldn’t be one-size-fits-all either; Deloitte can help your company determine the appropriate process
- Our experience is an asset to your company
  - Our broad client base allow us to efficiently craft a ruling request that draws upon our previous experience with similar matters
- Having Deloitte submit your ruling request on a no-name basis helps your company remain anonymous throughout the process



#### Potential approaches

- Apportionment
  - Sourcing rules
  - Alternative apportionment: statutory and non-statutory – Nexus
- VDAs
  - State nexus rulings
- Filing methods
  - Request for unitary determination
  - Combined/consolidated filing groups
  - Hybrid filing methods and groups
- Tax amnesty

## Contacts

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