



Multistate Data Analytics Tool

Legal Entity Restructuring Services

The Multistate Data Analytics Tool (MDAT) delivers meaningful, visual data analytics as part of Deloitte's National Multistate Tax Services (MTS) Legal Entity Restructuring Services to assist businesses in understanding drivers of state income tax liabilities and the impact of entity or organizational changes, federal tax reform and potential state tax planning considerations.

MDAT is an intuitive, web-based platform developed and used by Deloitte specialists for analyzing the state tax impacts of federal tax reform while also analyzing business entity and filing position planning alternatives identified during the performance of a MTS Legal Entity Restructuring Services assessment. Our state-specific technical knowledge and extensive experience powered by MDAT technology provides a broad-based methodology that enables organizations to make smarter decisions more quickly.

The challenge

Businesses are increasingly burdened by administrative and tax costs arising from growth objectives that emphasize globalization through either organic growth or by acquisitions. Meanwhile, federal tax reform, state legislative efforts to expand the tax base and heightened revenue agency enforcement efforts have increased these expenses.

To address these concerns, growing businesses are seeking a cost-efficient organizational structure that better aligns with their operations and objectives, while considering the impacts of federal tax reform. However, growing businesses often lack the resources to effectively analyze structural alternatives and filing positions. The complexities of state income tax laws combined with competing

organizational demands for resources and the number of scenarios to consider can create challenges competing organizational demands for resources and the number of scenarios to consider can create challenges.

Multistate Legal Entity Restructuring Services

Our MTS Legal Entity Restructuring Services are designed to complement an organization's existing operations, legal entity changes, and acquisition or divestiture activities, while focused on enhancing state income tax efficiencies. As part of our MTS Legal Entity Restructuring Services, Deloitte specialists work with you to gather and import data from your existing tax compliance system or work papers. Deloitte's MDAT technology uses historic and forecasted data to provide both Deloitte engagement teams and client professionals visibility into business entity and filing position planning alternatives.

MDAT is a secure, web-based software program that offers efficient analysis of your current state income tax position and the state tax impact of federal tax reform, business entity and filing position planning alternatives. The MDAT platform is equipped with the intelligence of state-specific technical rules and the ability to process

Does your organization have the experience, resources, and supporting technology to effectively analyze the state impact of federal tax reform, structural alternatives and filing positions?

numerous calculations for estimating the state income tax impact of each potential scenario. MDAT presents strategic analysis findings of business entity and filing position planning alternatives that complement your existing (or anticipated) operations in a straightforward, visual format.

Moving forward—faster

Potential benefits

Through our use of MDAT and visual analytics, Deloitte's MTS Legal Entity Restructuring Services can reduce the time necessary to effectively analyze the state tax impact of federal tax reform, structural alternatives and state income tax filing positions, so that organizations can focus on other business objectives. By accelerating this analysis timeline, you can move forward faster to seek the potential benefit from the selected planning alternatives. MDAT provides estimates of the tax impact of each scenario, which can be reviewed either online in a live working session with Deloitte specialists or through an exported report. Your tax data is also stored in a secure warehouse and can be analyzed or updated in the future as needed.

The opportunity

Our MTS Legal Entity Restructuring Services, powered by MDAT, may benefit businesses that are:

- Reporting taxable income and filing state income tax returns in more than 10 states.
- Generating multiple revenue streams or are subject to special industry apportionment rules.
- Contemplating an internal reorganization that involves a change to the legal entity structure or a movement of operations between entities.
- Experiencing increased state tax liabilities due to state tax legislative changes, including factor presence nexus, filing methodologies, and apportionment sourcing.
- Maintaining dormant or redundant legal entities due to acquisitions or dispositions that are resulting in increased administrative burdens.
- Encountering trapped tax attributes, including net operating losses and income tax credits, due to changes in business operations or state income tax rules.
- Operating domestic legal entities that are not reported in the federal consolidated return.
- Importing goods into the United States for wholesale or retail sales.
- Conducting intercompany transactions with domestic and/or foreign affiliates
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Why Deloitte

Deloitte's MTS team is one of the largest state and local tax practices in the United States with a network of more than 1,000 professionals, including industry specialists and former state and local government officials.

Our MTS Legal Entity Restructuring Services can help you navigate from strategic considerations to streamlined implementation. Through Deloitte's use of MDAT, we offer:

-  A customized approach derived from and aligned with your business goals and strategies.
-  Efficient implementation assistance.
-  A demonstrated, tested process that provides sound analysis and planning.
-  Reliable, quality services, overseen by our Washington National Tax-Multistate group.

Contacts

To learn more about our MTS Legal Entity Restructuring Services or to arrange for a demonstration of MDAT, please contact your Deloitte Tax adviser or one of these Deloitte professionals:

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