



Multistate legal entity restructuring services

Businesses are increasingly burdened by administrative and tax costs resulting from growth objectives that emphasize globalization through either organic growth or by acquisitions. Meanwhile, state legislative efforts to expand the tax base and heightened revenue agency enforcement efforts require greater attention by internal tax departments. To address these concerns, growing businesses are seeking a cost-efficient organizational structure that better aligns with its operations and objectives. 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.

Our Multistate 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. Deloitte Tax undertakes the Services via a phased approach and utilizes its Multistate Data Analytics Tool ("MDAT") to efficiently and quickly model multiple structural scenarios to assist you in determining the optimal structure that aligns with your business imperatives.



Strategic analysis phase

During the Strategic Analysis Phase, Deloitte Tax professionals sit down with the organization to help understand and document the operational and fiscal goals and obstacles by discussing future business plans, acquisitions and dispositions of businesses, proposed and completed transactions and the status of federal and state tax examinations. Deloitte Tax then works with the organization to agree upon strategic priorities for the Legal Entity Restructuring Services. An understanding of the priorities and goals and the utilization of MDAT allows us to analyze potential structural alternatives and estimate a range of potential state tax benefits for each alternative.



Design

During the Design Phase, Deloitte Tax works hand in hand with organizations to design an approach for the execution of the a chosen structural alternative. This approach includes setting milestones and expectations for execution as well as defining the steps necessary to implement the structural changes. The Design Phase deliverables include observations and tax-related recommendations to assist the organization as it addresses the operational and fiscal impact to the goals defined during Strategic Assessment.



Execution

Deloitte Tax works diligently during the Execution Phase to assist the organization in the implementation of the steps identified during Design. A detailed workplan will document and guide the roles, expectations and timing of each step. This documents creates accountability for the steps and defines the timetable to accomplish each task, which enables the execution of the structural change within the organization to achieve the business and tax imperatives documented during Strategic Analysis.



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