



## State Apportionment Insight

Adding value through State Apportionment

### Offering snapshot

State Apportionment Insight is Deloitte's web-based technology solution to help taxpayers take control of their State Apportionment. This offering is scalable depending on a tax department's particular needs and circumstances with the ability to leverage Deloitte specialists and also for more independent tax department use of the technology.

### Taxpayer Challenges

As businesses continue to expand in complexity and geographic footprint, the process of gathering, calculating, reporting, and analyzing apportionment data has proven increasingly challenging for many corporate tax departments. They are often challenged by a manual, spreadsheet-based process that involves a large volume of data and is time consuming. Given the state by state complexity, lack of uniform rules, and frequent changes in law, taxpayers often struggle with the

proper application of state rules related to apportionment. Couple that with a tax department that may have limited resources and competing department priorities, and the ability to add value through a deeper analysis of state apportionment is frequently challenging. Taxpayers need a user-friendly, robust database solution, driven by state-specific rulesets, that also offers versatile reporting and analytics capabilities to take control of their current apportionment process and start adding value through state apportionment. Deloitte has developed a Multistate Tax Technology solution that can help.

### Deloitte's State Apportionment Insight

State Apportionment Insight is an intuitive, multiuser, web-interfaced, database-powered solution to calculate state apportionment and potential tax impacts for compliance, provision and planning purposes.

The solution offers visibility into the impact of state apportionment factors and underlying sourcing methodologies related to a taxpayer's state tax posture using a computational engine driven by state specific rule sets.

State tax rules and computations are updated on a periodic basis. Deloitte maintains the rule sets; however, users have the flexibility to establish and apply custom rules.

The integrated calculation engine is available to estimate potential state tax impacts as the user computes and compares apportionment results under a variety of apportionment methodologies, changes in law, or fluctuations in income projections.

Robust reporting, data analytics and visualization technology provide users with an interactive view into the drivers of their state apportionment and associated

tax impacts, as well as the ability to review state apportionment for potential irregularities and potential areas of tax exposure.

The ability to easily modify filing group composition, taxable income estimates, applicable rule sets and other relevant data points to power “What if” functionality, helps taxpayers with scenario planning and provides the opportunity for deeper insight into and value from their state apportionment.

### State Apportionment Insight Features

- Designed by Deloitte’s Multistate Tax practitioners, with many years of state apportionment experience
- Utilizes an effective SQL database platform that provides a scalable alternative to the maintenance of multiple workbooks to house apportionment data
- Secure, remote, multiuser access is enabled through a user-friendly web interface
- Designed for both system and data stability, the solution can easily scale as a taxpayer’s business evolves and the number of corporate entities and state filings increase
- The solution is highly flexible, providing a user-friendly interface to rules and logic that govern calculations and computations

### Taxpayer profile – Businesses with these characteristics may benefit from State Apportionment Insight:

- Filing in multiple jurisdictions (10+)
- Significant state tax liability in 3 or more states
- Complexity surrounding sourcing unique revenue streams that require the application of market or cost of performance sourcing or the application of throwback, throw out, ultimate destination, or other nuances
- Engaging in mergers, acquisitions, and/or dispositions and have need to model, analyze, and compare various apportionment scenarios
- Challenged by current process that is highly manual, spreadsheet-based or time consuming
- Interested in leveraging technology to automate or improve accuracy and transparency

### Contact us:

For questions regarding our offerings related to State Apportionment or for a demo of State Apportionment Insight, please reach out to any of the Deloitte professionals below:

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