



State Tax Matters

May 2, 2014

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Income/Franchise:

Mississippi: New Law Excludes Deferred Gains/Income from Franchise Tax Capital Base

S.B. 2065, signed by gov. 4/23/14. Effective from and after July 1, 2014, new law revises the computation of Mississippi’s corporate franchise tax to exclude “deferred gains” and “deferred income” from the value of taxable capital, paid-in capital, surplus, and retained earnings. The new law additionally permits a deduction for the cost of treasury stock regardless of whether such stock was purchased with the earnings of the corporation (under current law in effect, this treasury stock deduction is only permitted if purchased with the earnings of the corporation).

URL: <http://billstatus.ls.state.ms.us/documents/2014/dt/SB/2001-2099/SB2065SG.pdf>

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Sales/Use:

Georgia: New Law Revises Manufacturing Exemption to Include “Consumable Supplies”

H.B. 900, signed by gov. 4/24/14. Effective on July 1, 2014, new law revises Georgia’s sales tax exemption for machinery and other items used in manufacturing to specifically include “consumable supplies” as qualifying items in the exemption. “Consumable supplies” refers to tangible personal property, other than machinery and industrial materials, that is consumed or expended during the manufacture of tangible personal property, including but not limited to water treatment chemicals for use in, on, or in conjunction with machinery or equipment and items that are readily disposable. This term excludes packaging supplies and energy.

URL: <http://www.legis.ga.gov/Legislation/20132014/145001.pdf>

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Multistate Tax Alerts

What's new in the States? Our Multistate Tax Alerts highlight selected state tax developments relevant to taxpayers, tax professionals, and other interested persons. Read our more recent alerts below or visit the archive for ones you may have missed.

Archives: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax

New Mississippi Law Addresses Alternative Apportionment and Combined Reporting

Mississippi Governor Bryant recently signed into law House Bill 799 (H.B. 799), which includes the following changes to Mississippi law (effective beginning January 1, 2015): i) requires both the taxpayer and the Mississippi Commissioner of Revenue (the "Commissioner") to satisfy a "preponderance of the evidence" standard in order to apply an alternative method of apportionment for income and franchise tax purposes; ii) requires the Commissioner to satisfy a "preponderance of the evidence" standard in order to require the filing of a combined corporate income tax return; and iii) prohibits the Commissioner from requiring combined reporting until regulations are enacted specifying the criteria for meeting the preponderance of the evidence standard. This Multistate Tax Alert summarizes these and other related law changes.

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URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/4cc21148628a5410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax:050214

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_MS_042514.pdf?id=us:em:na:stm:eng:tax:050214

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