



State Tax Matters

May 16, 2014

In this issue:

Income/Franchise: Massachusetts: New Regulation on Property Basis Adjustments in Combined Reporting Context	1
Multistate Tax Alerts	1

Income/Franchise:

Massachusetts: New Regulation on Property Basis Adjustments in Combined Reporting Context

830 CMR 63.31N.1, Mass. Dept. of Rev. (5/9/14). The Massachusetts Department of Revenue has issued a new regulation that implements the rules set forth in M.G.L. c. 63, § 31N, pertaining to Massachusetts property basis adjustments. More specifically, the regulation pertains to:

URL: <http://www.mass.gov/dor/businesses/help-and-resources/legal-library/regulations/63-00-taxation-of-corporations/830-cmr-63-31n-1.html>

- The determination of a corporation's basis in depreciable property;
- The effect of an intercompany transaction with respect to property on the determination of the property's basis (with an emphasis on transactions between members of a combined group that file a combined report); and
- In the context of a combined report, the basis of a stock owned by a shareholder corporation in a subsidiary corporation.

The regulation provides some examples of when these adjustments may be necessary, noting that "adjustments to the Massachusetts basis of a corporation's property may be required in circumstances not described in this regulation."

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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

Multistate Tax Commission Approves Certain UDITPA Revisions for Bylaw 7 Survey

On May 8, 2014, the Executive Committee of the Multistate Tax Commission (“MTC”) voted to move forward with certain proposed revisions to Article IV of the Multistate Tax Compact (“Compact”). Article IV incorporates, almost verbatim, the provisions of the Uniform Division of Income for Tax Purposes Act (“UDITPA”), which was promulgated by the Uniform Law Commission in 1957. A majority of states have adopted one or both of the Compact or UDITPA, which together serve as model law for assigning taxable income of multistate corporations among the state jurisdictions in which they do business.

The latest action by the Executive Committee was to approve to circulate certain of the proposed Article IV revisions for state survey pursuant to MTC Bylaw 7, which requires that “[a]ny recommendation for action submitted by the Executive Committee to the [MTC] relating to uniform or compatible tax laws...shall be circulated to the [state Compact] members...to determine if the affected members will consider adoption of the recommendation within their respective jurisdictions.” While the MTC’s actions are not binding on the states and have no effect in a particular state until adopted into law by that state, taxpayers potentially affected by the ultimate adoption of any of the proposed revisions to Article IV of the Compact may wish to keep a close eye on the MTC’s ongoing efforts in this regard.

This Multistate Tax Alert summarizes the MTC’s latest efforts to revise Article IV, including the next steps in the process and what taxpayers may wish to consider as the MTC moves forward with its revisions.

[Issued: May 13, 2014]

URL: [http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/69bb6a7e76af5410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614)

[Tax/69bb6a7e76af5410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/69bb6a7e76af5410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614)

URL: [http://www.deloitte.com/assets/Dcom-](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_UDITPA_051414.pdf?id=us:em:na:stm:eng:tax_051614)

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Missouri Amends Personal Income Tax Law

On May 6, 2014, the Missouri legislature overrode Governor Nixon’s veto of Senate Bill 509 (SB 509), thus adopting the bill into law. Effective for taxable years beginning on or after January 1, 2017, SB 509 amends Missouri law as follows: i) phase-in of personal income tax rate reductions; ii) phase-in of a new business income deduction for individual taxpayers; iii) annual adjustments to taxable income brackets for individual taxpayers; and iv) an increase in the personal exemption deduction for eligible taxpayers. This Multistate Tax Alert summarizes these law changes.

[Issued: May 8, 2014]

URL: [http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/86aed0213a0e5410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614)

[Tax/86aed0213a0e5410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/86aed0213a0e5410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax_051614)

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[UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_Missouri_alert_050814.pdf?id=us:em:na:stm:eng:tax_051614](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_Missouri_alert_050814.pdf?id=us:em:na:stm:eng:tax_051614)

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