



State Tax Matters

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Income/Franchise:

Florida: New Law Updates State Conformity to Internal Revenue Code

S.B. 1676, signed by gov. 5/12/14. Effective immediately and applicable retroactively to tax years beginning January 1, 2014, new law generally updates corporate income tax statutory references in Florida to conform to federal Internal Revenue Code (IRC) provisions as in effect on January 1, 2014 (previously, January 1, 2013). Note that Florida decouples from federal bonus depreciation and IRC Sec. 179 expense deductions in excess of \$128,000 through 2013.

URL: http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=_s1676er.DOCX&DocumentType=Bill&BillNumber=1676&Session=2014

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Income/Franchise:

Minnesota: New Law Updates State Conformity to Internal Revenue Code

H.F. 3167, signed by gov. 5/20/14. For state corporate income/franchise tax and individual income tax purposes, effective May 21, 2014, new law updates Minnesota’s definition of the Internal Revenue Code (IRC) to the Internal Revenue Code of 1986, as amended through March 26, 2014 (previously, December 20, 2013; see previously issued *Multistate Tax Alert* for more details on this earlier 2014 legislation). The new law also updates Minnesota’s definition of “net income” to incorporate the federal definition of “taxable income” as amended through March 26, 2014. The federal conformity changes are effective retroactively to the time the changes were effective for federal purposes. Note that the updated federal conformity generally does not change Minnesota’s statutory modifications such as bonus depreciation and IRC § 199 deductions. In other cases where the term IRC is not specifically defined, IRC means the “Internal Revenue Code of 1986, as amended through March 26, 2014” – the new law makes this change retroactively for taxable years beginning after December 31, 2012.

URL: <http://wdoc.house.leg.state.mn.us/leg/LS88/HF3167.4.pdf>

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/05c99cea8a205410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:052314

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Sales/Use:

Florida: New Law Provides that Dealers May Claim “Bad Debt” Credits in Private-Label Credit Card Transactions

H.B. 5601, signed by gov. 5/12/14. Effective July 1, 2014, new law provides that with respect to the payment of taxes on purchases made through a private-label credit card program where consumer accounts or receivables are found to be worthless or uncollectible, the dealer may claim a credit for, or obtain a refund of, the tax remitted by the dealer on the unpaid balance due if: i) the accounts or receivables have been charged off as “bad debt” on the lender’s books and records on or after January 1, 2014; ii) a credit was not previously claimed and a refund was not previously allowed on any portion of the accounts or receivables; and iii) the credit or refund is claimed within twelve months after the month in which the bad debt has been charged off by the lender for federal income tax purposes. The new law includes related procedural requirements for computing and claiming these “bad debt” credits, as well as defines key terms. A “private-label credit card” means a charge card or credit card that carries, refers to, or is branded with the name or logo of a dealer and can be used for purchases from the dealer whose name or logo appears on the card or for purchases from the dealer’s affiliates or franchises.

URL: http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=_h5601er.docx&DocumentType=Bill&BillNumber=5601&Session=2014

This legislation contains a number of other sales/use tax-related provisions, including which services are included under a “prepaid calling arrangement;” sales tax holidays for hurricane preparedness, back to school supplies and energy efficient appliances; and revisions to the industrial machinery and equipment exemption to include cement mixer trucks.

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Articles:

New York State Corporation Tax Reforms of 2014

This spring, New York enacted sweeping tax legislation that changes many aspects of its state tax law. In this article, Russell Banigan, Kenneth Jewell and Mary Jo Brady, of Deloitte Tax LLP, discuss New York’s current tax provisions and explain the major changes coming to the state’s corporate franchise tax in 2015.

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/9d61de8c4a916410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:052314

Among the major changes discussed are the unification of Article 32 (Franchise Tax on Banking Corporations) into Article 9-A (Franchise Tax on Business Corporations) and the modifications to the net income tax base, the state’s move to a bright-line statutory nexus threshold to determine whether out-of state corporations are subject to corporate franchise tax and apportionment and combined reporting reforms.

Multistate Tax Alerts

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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

House Subcommittee Hears Testimony on Mobile Workforce Act (Pending H.R. 1129)

On April 29, 2014, the U.S. House of Representatives Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law (the "Subcommittee") held a hearing (the "Hearing") on the Mobile Workforce State Income Tax Simplification Act of 2013 (H.R. 1129, or the "Bill"). During the Hearing, the Subcommittee heard testimony from four witnesses, three in support of the Bill and one in opposition. As Full Committee Chairman Goodlatte stated in his opening remarks, if adopted into law, the Bill "creates a bright-line thirty-day threshold to determine nonresident income tax liability . . . [and] ensures that employees will have a clear understanding of when they are liable for nonresident state income taxes, and employers will be able to accurately withhold these taxes."

This Multistate Tax Alert summarizes H.R. 1129, the testimony of the witnesses at the Hearing, and the outlook for this legislation in this 113th session of Congress.

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URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/5a61124ba1006410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:052314

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_mobile_workforce_051414.pdf?id=us:em:na:stm:eng:tax:052314

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