



State Tax Matters

June 27, 2014

In this issue:

| | |
|--|---|
| Income/Franchise: Hawaii: New Law Updates State Conformity to Internal Revenue Code..... | 1 |
| Multistate Tax Alerts..... | 1 |

Income/Franchise:

Hawaii: New Law Updates State Conformity to Internal Revenue Code

S.B. 2886, signed by gov. 6/18/14. Effective immediately, new law generally updates statutory references to the Internal Revenue Code (IRC), providing that for taxable years beginning after December 31, 2013, references to the IRC in Hawaii corporate and individual income tax laws refer to the federal law in effect as amended as of December 31, 2013 (previously, January 2, 2013).

URL: http://www.capitol.hawaii.gov/session2014/bills/SB2886_HD1_.htm

— Glenn Sakuda
Director
Deloitte Tax LLP
+1 (808) 543 0828
gsakuda@deloitte.com

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

Colorado Enacts Marketplace Fairness and Small Business Protection Act

Colorado Governor John Hickenlooper recently signed into law H.B. 14-1269, also known as the *Marketplace Fairness and Small Business Protection Act*, expanding the definition of "doing business" in Colorado for state sales and use tax purposes and strengthening the presumption of physical presence to a greater extent than was previously allowed under Colorado law. H.B. 14-1269 represents a continuation of Colorado's earlier legislative efforts to require sales and use tax reporting, collection, and remittance regarding remote (out-of-state) seller transactions. This new law is one of several bills being passed, or contemplated, by the Colorado General Assembly in anticipation of passage of the federal Marketplace Fairness Act or other similar federal legislation.

This Multistate Tax Alert summarizes H.B. 14-1269 and provides some taxpayer considerations.

[Issued: June 20, 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/d333232a338c6410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714)

[Tax/d333232a338c6410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/d333232a338c6410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714)

URL: [http://www.deloitte.com/assets/Dcom-](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_multistate_tax_Colorado_Act_062314.pdf?id=us:em:na:stm:eng:tax:062714)

[UnitedStates/Local%20Assets/Documents/Tax/us_multistate_tax_Colorado_Act_062314.pdf?id=us:em:na:stm:eng:tax:062714](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_multistate_tax_Colorado_Act_062314.pdf?id=us:em:na:stm:eng:tax:062714)

Ohio Enacts Midterm Tax Law Changes

On June 16, 2014, Ohio Governor John Kasich signed into law House Bills 492 and 483, followed by his signature on June 17th of Senate Bill 263. The adopted bills make changes to the Motor Fuels Receipts Tax, the Individual Income Tax, and various administrative provisions. These changes include the following:

- **Motor Fuels Receipts Tax** – The new law renames the “Motor Fuel Receipts Tax” as the “Petroleum Activity Tax,” repeals the currently applicable mandatory electronic tax payment statute (and with it the exclusion for dealers with an annual tax liability of \$600,000 or less) and instead imposes electronic payment as the “[Ohio Tax] Commissioner so requires,” changes the basis on which the tax is computed to that of “calculated gross receipts,” imposes the tax at a rate of 0.65%, and authorizes job creation and retention tax credits to be claimed against the tax.
- **Individual Income Tax** – The new law reduces Individual Income Tax rates for the highest tax bracket from 5.421% to 5.333%, increases the individual income tax deduction for investors in closely held businesses, increases personal exemption amounts available to low and middle-income taxpayers, and increases the Ohio earned income tax credit.
- **Administrative Provisions** – The new law authorizes the Ohio Tax Commissioner, in his discretion, to either refund or apply a taxpayer’s overpayment of tax or fees to a future period and changes the due date of the non-cigarette excise tax.

This Multistate Tax Alert summarizes these changes, which are generally effective 90 days from the respective dates of the governor’s signature of the various bills, unless otherwise specified.

[Issued: June 18, 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/41bf683a6b3b6410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714)

[Tax/41bf683a6b3b6410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714](http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/41bf683a6b3b6410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:062714)

URL: [http://www.deloitte.com/assets/Dcom-](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_OH_061814.pdf?id=us:em:na:stm:eng:tax:062714)

[UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_OH_061814.pdf?id=us:em:na:stm:eng:tax:062714](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_OH_061814.pdf?id=us:em:na:stm:eng:tax:062714)

Have a question?

If you have needs specifically related to this newsletter’s content, send us an email at clientsandmarketsdeloittetax@deloitte.com to have a Deloitte Tax professional contact you.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Disclaimer

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.