



## State Tax Matters

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**Income/Franchise:**

**New York City: New Law Extends Current GCT Rate Provisions for an Additional 3 Years**

*A.B. 9462*, signed by gov. 9/4/14. Effective immediately, new law extends certain New York City general corporation tax (GCT) rate provisions, some of which have been in effect since 1978 and were set to expire by January 1, 2015, through to December 31, 2017. The current tax rate is the greater of:

**URL:** [http://assembly.state.ny.us/leg/?default\\_fld=&bn=A09462&term=2013&Summary=Y&Text=Y](http://assembly.state.ny.us/leg/?default_fld=&bn=A09462&term=2013&Summary=Y&Text=Y)

- 8.85% on income,
- 1.5 mills on business and investment capital,
- 8.85% of 15% of income plus the amount of salaries and other compensation paid to any person who at any time during the taxable year owned more than 5% of the taxpayer’s capital stock, or
- A minimum tax based on the amount of New York City receipts.

There is also a 0.75 mill tax on subsidiary capital. Prior to this new law, these rate provisions had been scheduled to drop on January 1, 2015 to i) 6.7%, ii) 1 mill, iii) 6.7%, and iv) \$25, respectively, and to 0.5 mill on subsidiary capital. Under this new law, the current GCT rate provisions now will remain in effect through December 31, 2017.

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## Income/Franchise:

### South Carolina: Department of Revenue Says it Will Follow Recently Finalized Federal Tangible Property Regulations

*Information Letter #14-11*, S.C. Dept. of Rev (9/3/14). The South Carolina Department of Revenue (“Department”) has issued an information letter explaining that, in September 2013, the Internal Revenue Service issued final regulations under I.R.C. Secs. 162(a) and 263(a) relating to when taxpayers must capitalize or deduct expenses for amounts paid to acquire, produce, or improve tangible personal property, which are generally applicable to taxable years beginning on or after January 1, 2014. The letter further explains that South Carolina has adopted I.R.C. Secs. 162(a) and 263(a), and the regulations thereunder, for state income tax purposes. Accordingly, for state income tax purposes, the Department states that it will follow the final regulations under I.R.C. Secs. 162(a) and 263(a) to the extent that the final regulations are applicable to the tax year(s) in question.

**URL:** <http://www.sctax.org/NR/rdonlyres/50A5A18D-7683-48A5-90AE-4CFD10E33848/0/IL1411.pdf>

The Department notes that adoption of these final regulations additionally may impact other South Carolina taxes – “for example, subject to certain limitations, some South Carolina property taxes are calculated using the property’s income tax basis.”

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## Sales/Use/Indirect:

### California: New Law Provides MAP for Several Excise Taxes & User Fees

*A.B. 2009*, signed by gov. 7/9/14. New law provides a Managed Audit Program (MAP) for several excise taxes and user fees. Managed audits allow a taxpayer to conduct a “supervised self-audit” under the direction of the California Board of Equalization. The new law extends managed audits to the following excise taxes and user fees:

**URL:** <http://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml>

- Motor Vehicle Fuel Tax;
- Diesel Fuel Tax;
- Use Fuel Tax;
- Oil Spill Response, Prevention, and Administration Fees;
- Underground Storage Tank Maintenance Fee;
- Hazardous Substances Tax;
- Integrated Waste Management Fee;
- Energy Resources Surcharge;
- Cigarette and Tobacco Products Tax;
- Tax on Distilled Spirits;
- Emergency Telephone Users Surcharge; and
- Fees collected pursuant to the Fee Collection Procedures Law.

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

*No new alerts were issued this week. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.*

### Have a question?

If you have needs specifically related to this newsletter's content, send us an email at [clientsandmarketsdeloittetax@deloitte.com](mailto:clientsandmarketsdeloittetax@deloitte.com) to have a Deloitte Tax professional contact you.

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