



Multistate Tax

State Tax Matters

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In this issue:

Articles: Discussion of Common Tax Audit Issues Affecting California Corporate Taxpayers ...	1
Articles: State Taxation in a Global Business Environment: Factor presence nexus considerations for foreign companies	2
Income/Franchise: Georgia: New Law Updates State Conformity to Internal Revenue Code ...	2
Multistate Tax Alerts	2

Articles:

Discussion of Common Tax Audit Issues Affecting California Corporate Taxpayers

In this article, authors E. Scott Ewing, Benjamin Elliott, and Natasha Ng of Deloitte Tax LLP restate the most common franchise/income tax audit issues identified by the California Franchise Tax Board (“FTB”), summarize the technical aspects of each issue, and provide general insight regarding the potential prevalence of such issues in future FTB audits.

The California FTB identified the most common franchise/income tax audit issues currently affecting corporations. In this article we restate the common audit issues identified by the FTB, summarize the technical aspects of each issue and provide general insight regarding the potential prevalence of such issues in future FTB audits, including a discussion of some of the recent and contemplated changes in the California Revenue and Taxation Code and California Code of Regulations, title 18 adopted thereunder that may affect these issues.

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/common-tax-audit-issues-affecting-California-corporate-taxpayers.html>

Articles:

State Taxation in a Global Business Environment: Factor presence nexus considerations for foreign companies

This article, originally published in *Global Tax Weekly*, is the first in a series of ongoing articles by Charlie Fischer of Deloitte Tax LLP focused on US state tax considerations for the international operations of multinational taxpayers, whether headquartered in the US or elsewhere around the world, with a particular focus on state tax considerations for foreign entities.

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/factor-presence-nexus-considerations-for-foreign-companies.html>

Income/Franchise:

Georgia: New Law Updates State Conformity to Internal Revenue Code

H.B. 292, signed by gov. 3/6/15. Effective immediately and applicable to all taxable years beginning on or after January 1, 2014, new law generally updates corporate and personal income tax statutory references to the Internal Revenue Code (IRC) as it existed on or before January 1, 2015 (previously, January 1, 2014). For taxable years beginning on or after January 1, 2014, provisions of the Internal Revenue Code of 1986, as amended, which were as of January 1, 2015 enacted into law but not yet effective shall become effective for purposes of Georgia taxation on the same dates upon which they become effective for federal tax purposes. Note that Georgia continues to decouple from certain federal income tax provisions, including those involving i) the IRC Section 179 deduction; ii) IRC Section 168(k) bonus depreciation; iii) the IRC Section 199 deduction for income attributable to domestic production activities; and iv) certain federal net operating loss (NOL) carryback provisions.

URL: <http://www.legis.ga.gov/Legislation/20152016/150445.pdf>

Recently updated guidance from the Georgia Department of Revenue further explains this law change, including how it affects 2014 tax returns.

URL: <http://dor.georgia.gov/federal-tax-changes>

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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.

Archive: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive0.html?id=us:em:na:stm:eng:tax>

US Supreme Court Issues Decision in Colorado Remote Seller Reporting Case

On March 3, 2015, the US Supreme Court issued a unanimous decision for the petitioner in *Direct Marketing Association v. Brohl*, reversing the decision of the US Court of Appeals for the Tenth Circuit (the “10th Circuit”). The 10th Circuit had held that the Tax Injunction Act (“TIA”) (28 USC. § 1341) deprived the US District Court of jurisdiction to enjoin Colorado from enforcing its remote seller sales and use tax notice and reporting requirements. In the Opinion of the US Supreme Court, delivered by Justice Thomas, the Court held that the TIA does not bar the suit brought by the Direct Marketing Association because the relief sought would not enjoin, suspend, or restrain the assessment, levy or collection of Colorado’s sales and use taxes. The Court remanded the case to the 10th Circuit for further proceedings.

Also, in a concurring opinion Justice Kennedy agreed in full with the Court’s opinion but also emphasized that in light of the “far-reaching systemic and structural changes in the economy[,]” “it is unwise to delay any longer a reconsideration of the Court’s holding in *Quill*.” Justice Kennedy also suggested that the “legal system should find an appropriate case for this Court to reexamine *Quill* and *Bellas Hess*.”

This Multistate Tax Alert summarizes the Opinion of the Court and Justice Kennedy’s Concurring Opinion, as well as provides some taxpayer considerations.

[Issued: March 5, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-us-supreme-court-issues-decision-in-colorado-remote-seller-case.html?id=us:em:na:stm:eng:tax:031315](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-us-supreme-court-issues-decision-in-colorado-remote-seller-case.html?id=us:em:na:stm:eng:tax:031315)

California Competes Tax Credit Application Period Opened March 9

The California Competes Tax Credit (“CCTC”) is an income tax credit available to businesses expanding in or relocating to California. The CCTC was enacted on July 11, 2013, and was first available to taxpayers in 2014 for fiscal year 2013/2014. For fiscal year 2014/2015, the Governor’s Office of Business and Economic Development authorized \$151.1 million in available CCTC to be allocated over three application periods. The third and final fiscal year 2014/2015 application period opened on March 9, 2015, and will run through April 6, 2015.

This Multistate Tax Alert summarizes the CCTC and provides information on the application process.

[Issued: March 10, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-california-competes-tax-credit-application-period-opened-march-9.html?id=us:em:na:stm:eng:tax:031315](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-california-competes-tax-credit-application-period-opened-march-9.html?id=us:em:na:stm:eng:tax:031315)

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