



Multistate Tax

State Tax Matters

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Amnesty/Administrative: Maryland: New Law Creates Tax Amnesty Program Providing for 100% Penalty Waiver and 50% Interest Waiver

S. 763, signed by gov. 4/14/15. Effective June 1, 2015, new law requires the Maryland Comptroller to establish a tax amnesty program for delinquent taxpayers that will:

URL:

<http://mgaleg.maryland.gov/webmga/frmMain.aspx?pid=billpage&stab=01&id=sb0763&tab=subject3&ys=2015RS>

- Run from September 1, 2015 through October 30, 2015;
- Apply to Maryland state and local individual income tax, corporate income tax, withholding taxes, sales and use taxes, as well as admissions and amusement taxes, for tax returns generally due on or before December 31, 2014; and
- Permit the potential waiver of 100% of the underlying civil penalties (except previously assessed fraud penalties) and 50% of the underlying interest.

However, this amnesty program is limited in that it will not apply to:

- Any taxpayer that was granted amnesty under a Maryland tax amnesty program held between calendar year 1999 and calendar year 2014; or

- Any taxpayer eligible for the settlement period which ran from July 1, 2004 through November 1, 2004, for tax periods prior to tax year 2003, pursuant to Chapter 557 of the Acts of 2004 – during which back taxes assessed for certain intangible holding company transactions were forgiven.

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Amnesty/Administrative: New Mexico: New Law Establishes Independent Administrative Hearings Office for Tax-Related Disputes

S.B. 356, signed by gov. 4/7/15. Effective July 1, 2015, new law establishes an “Administrative Hearings Office” (“AHC”) for tax-related disputes that will administratively function under the New Mexico Department of Finance and Administration. The AHC will operate independently and separately from the New Mexico Taxation and Revenue Department (“TRD”) and replace the TRD’s current “Hearings Bureau;” however, current Hearings Bureau personnel will move to the new AHC. The new law provides that the AHC will be headed by a chief hearing officer who will be appointed by the New Mexico Governor upon recommendation of a selection committee, with the current chief hearing officer of the Hearings Bureau acting as the interim chief hearing officer for the new AHC. The law includes several sections related to administering the new AHC, such as:

URL: <http://www.nmlegis.gov/lcs/legislation.aspx?Chamber=S&LegType=B&LegNo=356&year=15>

- Duties of the selection committee;
- Selection process for hearing officers;
- Powers and duties of the chief hearing office;
- Code of conduct for hearing officers;
- Procedures for tax protests; and
- Motor vehicle administrative hearings.

The new law provides that if taxpayers are dissatisfied with the AHC’s decision and order in a tax dispute, they may appeal to the New Mexico Court of Appeals for further relief, “but only to the same extent and upon the same theory as was asserted in the hearing before the hearing officer” – which continues the current practice of establishing the appellate record at the administrative hearing.

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Income/Franchise:

Arizona: New Law Updates State Conformity to Internal Revenue Code

S.B. 1188, signed by gov. 4/9/15. Effective ninety-one days after adjournment of the 2015 legislature and applicable for tax years beginning from and after December 31, 2014, new law generally conforms state corporate and personal income tax references to the federal “Internal Revenue Code (IRC)” as in effect on January 1, 2015, “including those provisions that became effective during 2014 with the specific adoption of all federal retroactive effective dates,” but excluding any change to the IRC enacted after January 1, 2015.

URL: http://www.azleg.gov/DocumentsForBill.asp?Bill_Number=SB1188&Session_ID=114

For taxable years beginning from and after December 31, 2013 through December 31, 2014, the law generally conforms state corporate and personal income tax references to the federal IRC as in effect on January 1, 2014, including those provisions that became effective during 2013 with the specific adoption of all federal retroactive effective dates, and including those provisions of the Tax Increase Prevention Act of 2014 that are retroactively effective during taxable years beginning from and after December 31, 2013 through December 31, 2014.

Note that with the enactment of this legislation, Arizona now conforms to the federal cap on corporate expenses under IRC Sec. 179 of \$500,000.

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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>

Premium Tax: Arizona Passes Reciprocal Non-Retaliation Law and Lowers Rate

Arizona Governor Doug Ducey recently signed into law House Bill 2440 (“H.B. 2440”). The new law, effective from and after December 31, 2015, essentially allows Arizona to become a “Reciprocal Non-Retaliation” state – i.e., a state that does not impose a retaliatory tax on insurance companies domiciled in another state if the other state agrees not to retaliate against the state’s own insurance companies – similar to Massachusetts, Minnesota, New York, and Rhode Island.

Arizona Governor Ducey also signed into law House Bill 2568 (“H.B. 2568”). This new law gradually phases in a reduction in the Arizona general premium tax rate from 2% to 1.7% by 2026.

This Multistate Tax Alert summarizes Arizona's retaliatory tax provisions and the effects of H.B. 2440 and H.B. 2568.

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[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-premium-tax-arizona-passes-reciprocal-non-retaliation-law-lowers-rate.html?id=us:em:na:stm:eng:tax:041715](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-premium-tax-arizona-passes-reciprocal-non-retaliation-law-lowers-rate.html?id=us:em:na:stm:eng:tax:041715)

New York Budget Legislation Enacted Amending State Tax Law

On April 13, 2015, New York's Governor Andrew Cuomo signed into law S2009B/A3009B and S2006B/A3006B, referred to generally as "Budget Bills" forming part of the 2015-16 State Budget. This legislation makes technical corrections and other revisions to the New York State tax reform provisions enacted in 2014, and makes changes to certain sales and use tax provisions and other tax laws.

The official legislative record confirms the enactment date of the Budget Bills to be April 13, 2015. As such, any impact from the Budget Bills should be treated as a second quarter event for financial statement purposes for calendar year taxpayers.

This Multistate Tax Alert summarizes the more significant New York State tax law changes included in the new law.

[Issued: April 14, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-budget-legislation-enacted-amending-state-tax-law.html?id=us:em:na:stm:eng:tax:041715](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-budget-legislation-enacted-amending-state-tax-law.html?id=us:em:na:stm:eng:tax:041715)

New York City Corporate Tax Law Reform Enacted

On April 13, 2015, New York's Governor Andrew Cuomo signed S4610A/A6721A into law. This legislation enacts broad-based tax reform of the New York City corporate tax regime that is generally consistent with the New York State tax reform provisions effective for tax years beginning on or after January 1, 2015.

The official legislative record confirms the enactment date of this legislation to be April 13, 2015. As such, any impact from this legislation should be treated as a second quarter event for financial statement purposes for calendar year taxpayers.

This Multistate Tax Alert summarizes the more significant reforms to New York City's corporate tax structure, which generally are effective retroactive to tax years beginning on or after January 1, 2015.

[Issued: April 14, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-corporate-tax-law-reform-enacted.html?id=us:em:na:stm:eng:tax:041715](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-corporate-tax-law-reform-enacted.html?id=us:em:na:stm:eng:tax:041715)

Oregon Supreme Court Issues Important Decision on Sales Factor Sourcing

In *Powerex Corporation v. Department of Revenue*, the Oregon Supreme Court provided guidance on two important issues related to Oregon state corporate excise tax apportionment by holding that:

1. Electricity is tangible personal property; and
2. Sales of tangible personal property shipped via pipeline (e.g., natural gas) shall be sourced to the location of the purchaser rather than to a contractually-defined point of delivery.

This Multistate Tax Alert summarizes the *Powerex* decision and outlines various considerations for taxpayers.

[Issued: April 9, 2015]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-oregon-supreme-court-issues-important-decision-sales-factor-sourcing.html?id=us:em:na:stm:eng:tax:041715>

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