



Multistate Tax

State Tax Matters

July 17, 2015

In this issue:

Income/Franchise: New York: Department of Taxation and Finance Discusses New Investment Capital Identification Procedure Requirements.....	1
Income/Franchise: Wisconsin: New Law Updates State Conformity to Internal Revenue Code	2
Sales/Use/Indirect: Alabama: DOR Withdraws Proposed Amended Administrative Rule that Specifically Taxed Certain Streaming Services and Digital Transmissions.....	2
Multistate Tax Alerts	3

Income/Franchise:

New York: Department of Taxation and Finance Discusses New Investment Capital Identification Procedure Requirements

TSB-M-15(4)C, (5)I, N.Y. Dept. of Tax. & Fin. (7/7/15). Pursuant to recently enacted legislation that makes technical corrections and other revisions to the New York State tax reform provisions enacted in 2014 [see previously released article entitled, *New York State Corporation Tax Reforms of 2014* by Russell Banigan, Kenneth Jewell and Mary Jo Brady of Deloitte Tax LLP for more details on this 2014 enacted state legislation] – including changes to the definition of investment capital under Article 9-A that are effective for tax years beginning on or after January 1, 2015 – the New York Department of Taxation and Finance has issued a memorandum that describes the identification procedures required to satisfy a component of the “investment capital test.” More specifically, the new law requires that stock acquired on or after October 1, 2015, be identified as held for investment in a taxpayer’s records before the close of the day on which the stock was acquired in order to qualify as investment capital. Stock acquired before October 1, 2015, must be identified prior to October 1, 2015. This memorandum describes the investment capital identification procedure requirements pursuant to this new law.

[URL: http://www.tax.ny.gov/pdf/memos/multitax/m15_4c_5i.pdf](http://www.tax.ny.gov/pdf/memos/multitax/m15_4c_5i.pdf)

[URL: http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-article-new-york-state-corp-tax-reforms-2014.pdf](http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-article-new-york-state-corp-tax-reforms-2014.pdf)

— Mary Jo Brady (Jericho)
Senior Tax Manager
Deloitte Tax LLP
mabrady@deloitte.com

Shona Ponda (New York)
Senior Manager
Deloitte Tax LLP
sponda@deloitte.com

Income/Franchise:

Wisconsin: New Law Updates State Conformity to Internal Revenue Code

Act 55 (S.B. 21), signed by gov. 7/12/15. Applicable for taxable years that begin after December 31, 2013, new law generally updates references to the Internal Revenue Code (IRC) as amended through December 31, 2013, with certain enumerated exceptions, for state corporate and individual income tax purposes. One such exception includes Wisconsin's continued decoupling from bonus depreciation rules under IRC Sec. 168(k).

URL: <http://docs.legis.wisconsin.gov/2015/proposals/sb21>

See forthcoming Multistate Tax Alert for details on other select tax-related provisions included within this legislation.

— Jeannette Thorel (Milwaukee)
Director
Deloitte Tax LLP
jthorel@deloitte.com

Shona Ponda (New York)
Senior Manager
Deloitte Tax LLP
sponda@deloitte.com

Sales/Use/Indirect:

Alabama: DOR Withdraws Proposed Amended Administrative Rule that Specifically Taxed Certain Streaming Services and Digital Transmissions

Withdrawal of Proposed Amended Ala. Admin. Code Rule 810-6-5-.09 [Leasing and Rental of Tangible Personal Property], Ala. Dept. of Rev. (7/7/15). The Alabama Department of Revenue has withdrawn a proposed amended administrative rule on the leasing and rental of tangible personal property that had been filed on June 11, 2015, and which had been set to become effective July 16, 2015. Prior to this withdrawal, the proposed amended rule specifically had provided that certain streaming services and other digital transmissions would be subject to Alabama's rental tax as tangible personal property. During the rule proposal phase, many had claimed that such taxation exceeded the Alabama Department of Revenue's statutory authority.

URL: <http://revenue.alabama.gov/analysis/rules-pending-final-adoption.cfm>

— Doug Nagode (Atlanta)
Senior Manager
Deloitte Tax LLP
dnagode@deloitte.com

Shona Ponda (New York)
Senior Manager
Deloitte Tax LLP
sponda@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.

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

House Judiciary Committee Sets the Stage for a Floor Vote on State Tax Bills

The US House of Representatives (House) Judiciary Committee recently voted to approve three federal bills concerning state taxes: the Mobile Workforce State Income Tax Simplification Act of 2015 (HR 2315), the Business Activity Tax Simplification Act of 2015 (HR 2584), and the Digital Goods and Services Tax Fairness Act of 2015 (HR 1643). The House Judiciary Committee's approval paves the way for a potential floor vote on the bills in the House, which could lead to a federally imposed standard in the following areas:

- Nonresident employee withholding taxes, pursuant to HR 2315
- State and local income tax nexus, pursuant to HR 2584
- Sales and use tax consequences of sales of digital goods and digital services, pursuant to HR 1643

This Multistate Tax Alert summarizes this pending legislation and provides some taxpayer considerations.

[Issued: July 10, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-house-judiciary-committee-sets-the-stage-for-a-floor-vote-on-state-tax-bills.html?id=us:em:na:stm:eng:tax:071715](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-house-judiciary-committee-sets-the-stage-for-a-floor-vote-on-state-tax-bills.html?id=us:em:na:stm:eng:tax:071715)

California Competes Tax Credit Application Period Opens July 20

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 2015/2016, the Governor's Office of Business and Economic Development authorized \$200.9 million in available CCTC to be allocated over three application periods. The first application period of fiscal year 2015/2016 opens on July 20, 2015, and runs through August 17, 2015, with \$75 million allocated to this period. The CCTC Committee will approve awards for this period on November 10, 2015.

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

[Issued: July 10, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-california-competes-tax-credit-application-period-opens-july-20.html?id=us:em:na:stm:eng:tax:071715](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-california-competes-tax-credit-application-period-opens-july-20.html?id=us:em:na:stm:eng:tax:071715)

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.