



Multistate Tax

State Tax Matters

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Articles:

State Tax Spotlight on Valerie Dickerson, Featured in “State Tax Notes”

State Tax Notes featured Deloitte Tax’s Valerie Dickerson, managing partner of the Washington National Tax-Multistate (WNT) in its monthly “State Tax Spotlight,” a feature column that profiles influential individuals and organizations in state and local taxation. Valerie, as well as retired Deloitte partner Rick Richman, National Service Line Leader Carrie Falkenhayn, Deloitte director Michael Bryan, and Deloitte principal Michael Porter, discuss Valerie’s passion for helping her clients solve problems, her role in transforming the WNT practice, and her work co-chairing the National Multistate Tax Symposium.

Check out the full column, originally published in the July 6, 2015 edition of *State Tax Notes*, a Tax Analysts publication.

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/state-tax-spotlight-on-valerie-dickerson.html?id=us:em:na:stm:eng:tax:072415>

Articles:

A Roadmap of How One Governor Used Economic Development to Create a New Virginia Economy

The August issue of “Credits & Incentives talk with Deloitte,” a monthly column by Kevin Potter of Deloitte Tax LLP that is featured in the Journal of Multistate Taxation and Incentives (a Thomson Reuters publication), discusses Virginia Governor Terence McAuliffe’s proactive approach to economic development in Virginia through various credits and incentive programs. [URL: http://www2.deloitte.com/us/en/pages/tax/articles/a-roadmap-of-how-one-governor-used-economic-development-to-create-a-new-virginia-economy.html?id=us:em:na:stm:eng:tax:072415](http://www2.deloitte.com/us/en/pages/tax/articles/a-roadmap-of-how-one-governor-used-economic-development-to-create-a-new-virginia-economy.html?id=us:em:na:stm:eng:tax:072415)

Amnesty:

Massachusetts: New Law Authorizes Creation of 60-Day Amnesty Program During Fiscal Year 2016 that Allows for 100% Penalty Waiver

H.B. 3650, signed by gov. 7/17/15. Effective July 1, 2015, new law authorizes the Massachusetts Department of Revenue (“Department”) to establish a tax amnesty program for a 60-day period within fiscal year 2016 that expires no later than June 30, 2016, during which generally all penalties that could be assessed by the Department must be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect for the taxpayer’s failure to:

[URL: https://malegislature.gov/Bills/189/House/H3650](https://malegislature.gov/Bills/189/House/H3650)

- Timely file any proper return for any tax type and for any tax period;
- Timely pay any tax liability; or
- Pay the proper amount of any required estimated payment toward a tax liability.

The tax amnesty program cannot apply to a tax liability of any tax type for a period commencing on or after January 1, 2014. Additionally, the scope of the tax amnesty program, including the particular tax types and periods covered, including any limited look-back period for unfiled returns not to exceed three years, shall be determined by the Department. The new law notes that while the Department may choose to offer tax amnesty to taxpayers who have failed to file required returns due for any tax period beginning before January 1, 2014, participants must file the required return and pay the tax shown as due on the return during the amnesty period together *with* accrued interest, as the Department is *not* authorized to waive any related interest. The new law also requires the Department to establish administrative procedures and methods to “prevent any taxpayer who utilizes the tax amnesty program from utilizing any future tax amnesty programs for the next consecutive ten years, beginning in calendar year 2015.”

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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>

California Treatment of Transactions between IC DISCs and Their Owners

The California Franchise Tax Board (FTB) recently issued Legal Ruling (LR) 2015-02, discussing the tax treatment of transactions involving Interest Charge Domestic International Sales Corporations (IC DISCs). The FTB has determined that since transactions between an IC DISC and its owner(s) or other affiliated entities owned or controlled directly or indirectly by the same interests (collectively referred to as "owner(s)") lack true economic substance, the gross income and deductions between the IC DISC and its owner(s) are allocated to the owner(s) for California tax purposes. In LR 2015-02 the FTB explains that except when an IC DISC and C corporation owner(s) are included within a combined return, all of the IC DISC's income is attributed to the owner(s). The mechanics of the reallocation differ depending on the type of taxpayer that owns the IC DISC and the nature of the income attributable to the IC DISC.

This Multistate Tax Alert summarizes LR 2015-02 and provides taxpayer considerations.

[Issued: July 17, 2015]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-california-treatment-of-transactions-between-ic-discs-and-their-owners.html?id=us:em:na:stm:eng:tax:072415>

Illinois Update – Cook County Sales Tax Rate Increase

Within its authority as a home-rule jurisdiction, the Board of Commissioners (Board) of Cook County recently voted to increase the Cook County sales tax rate by 1 percent effective January 1, 2016, thus reinstating the increased rate established in 2008 that was later repealed. This Multistate Tax Alert highlights a sales tax rate increase that was recently adopted by Cook County, Illinois. The 1 percent increase is scheduled to be effective on January 1, 2016.

[Issued: July 20, 2015]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-illinois-update-cook-county-sales-tax-rate-increase.html?id=us:em:na:stm:eng:tax:072415>

Washington Amends Nexus Standards, Rate Preference, M&E Exemption, and Penalties

Washington State recently enacted its budget, Engrossed Substitute Senate Bill 6138, which makes various changes to Washington tax law. Notable provisions of the new law include:

- Adding remote seller click-through nexus for sales and use tax purposes;
- Extending the economic nexus standard to the business and occupation (B&O) tax wholesaling classification;
- Eliminating a B&O tax rate preference for royalty income;
- Expanding the manufacturing machinery and equipment exemption to certain software manufacturers; and
- Increasing late payment penalties.

This Multistate Tax Alert summarizes these law changes.

[Issued: July 16, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-wa-amends-nexus-standards-rate-preference-me-exemption-and-penalties.html?id=us:em:na:stm:eng:tax:072415](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-wa-amends-nexus-standards-rate-preference-me-exemption-and-penalties.html?id=us:em:na:stm:eng:tax:072415)

Wisconsin Enacts 2015-2017 Budget Bill Including Numerous Tax Law Changes

On July 12, 2015, Wisconsin Governor Scott Walker signed Senate Bill 21 (SB 21) as Wisconsin Act 55. The bill contains numerous Wisconsin tax law provisions, including the following more significant changes:

- Modifies the qualification and computation of the Manufacturing and Agriculture Tax Credit;
- Modifies the calculations and definitions for the Research and Development Credit;
- Creates a new Business Development Credit;
- Conforms Wisconsin's individual income tax Alternative Minimum Tax (AMT) exemption amounts and exemption phase out provisions to the federal income tax treatment in effect for the applicable tax year;
- Modifies sales and use tax definitions related to retailers doing business in Wisconsin;
- Delays implementation of the private label credit card "bad debt" provisions for sales and use tax purposes; and
- Specifies that a taxpayer does not have any right to sales and use tax refunds until the setoff procedure regarding local, state and federal government amounts due has been completed.

This Multistate Tax Alert provides an overview of these Wisconsin tax law changes.

[Issued: July 20, 2015]

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-wisconsin-enacts-2015-2017-budget-bill-including-numerous-tax-law-changes.html?id=us:em:na:stm:eng:tax:072415](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-wisconsin-enacts-2015-2017-budget-bill-including-numerous-tax-law-changes.html?id=us:em:na:stm:eng:tax:072415)

Have a question?

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