



Multistate Tax

State Tax Matters

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Income/Franchise:

Illinois: New Law Amends Definition of a Captive REIT

H.B. 3086, signed by gov. 7/31/15. Effective immediately, new law amends the Illinois Income Tax Act as it relates to defining a captive real estate investment trust (captive REIT), providing that for taxable years ending on or after August 16, 2007, the voting power or value of the beneficial interest or shares in a REIT that is held in a “segregated asset account” of a life insurance company (as described in IRC section 817) for the benefit of persons or entities who are immune or exempt from federal income taxes is *not* taken into account for purposes of determining if a REIT is a captive REIT.

URL: <http://www.ilga.gov/legislation/publicacts/99/PDF/099-0213.pdf>

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Income/Franchise:

Massachusetts: New Law Postpones Combined Reporting-Related ASC 740 Deduction Until 2021, as well as Revises Underlying Claimant Period

H.B. 3671, signed by gov. 8/5/15. Effectively immediately, new law postpones the ASC 740 (formerly known as “Statement 109, Accounting for Income Taxes” or “FAS 109”) deduction that previously was scheduled to begin with a combined group’s taxable year that begins in 2016, and which originally was part of legislation enacted during 2008 that adopted a combined reporting regime for tax years beginning on or after January 1, 2009, until the combined group’s taxable year that begins in 2021. The new law also revises the period over which the deduction may be claimed from the original seven-year period to a thirty-year period.

URL: <https://malegislature.gov/Laws/SessionLaws/Acts/2015/Chapter52>

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Sales/Use/Indirect:

Illinois: City of Chicago Announces Delay in Implementation of Personal Property Lease Transaction Tax Ruling

Note re: Personal Property Lease Transaction Tax Ruling No. 12, City of Chicago Dept. of Fin. (8/10/15). Pursuant to recently issued administrative guidance that clarifies various aspects of the City of Chicago’s lease tax as applied to cloud computing (i.e. nonpossessory use computer leases) [Personal Property Lease Transaction Tax Ruling No. 12 (Lease Tax Ruling No.12); see previously issued Multistate Tax Alert for more details on this tax ruling], the City of Chicago Department of Finance (Department) now notes that in response to “numerous requests from providers and customers,” it is extending the effective date of Lease Tax Ruling No. 12 from September 1, 2015 to January 1, 2016. According to the Department, “the extension will allow businesses additional time to have questions answered and to make any necessary changes to their billing systems or other procedures.” The Department also explains that the City of Chicago “will use the additional time to complete its consideration of possible ordinance changes designed to address some of the concerns that have been raised by various Chicago businesses about the effect of the lease tax on their operations,” – commenting that any such changes would require City of Chicago Council approval and “would likely coincide with the new effective date of the ruling.” The Department additionally states that it may issue an information bulletin providing further guidance as to specific questions that have been asked since the publication of Lease Tax Ruling No. 12.

URL: http://www.cityofchicago.org/city/en/depts/fin/supp_info/revenue/taxrulings.html

URL:

http://www.cityofchicago.org/content/dam/city/depts/rev/supp_info/TaxRulingsandRegulations/LeaseTaxRuling12-06092015.pdf

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-chicago-personal-property-lease-transaction-tax-and-amusement-tax-rulings.html?id=us:em:na:stm:eng:tax:081415>

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

New York City Unincorporated Business Tax Deduction Disallowance Sustained

The New York City Tax Appeals Tribunal recently affirmed an Administrative Law Judge's decision in favor of the New York City Department of Finance. In its decision, the Tribunal sustained a New York City Unincorporated Business Tax expense disallowance for payments by an investment adviser limited partnership to its general partner for services rendered to the partnership by individuals who were both employees of the general partner and limited partners in the partnership.

This Multistate Tax Alert summarizes the Tribunal's decision and provides some taxpayer considerations.

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URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-city-unincorporated-business-tax-deduction-disallowance-sustained.html?id=us:em:na:stm:eng:tax:081415>

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