



Multistate Tax

State Tax Matters

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Articles:

The Future of the 421-a Property Tax Exemption in New York City

This edition of “Credits & Incentives Talk with Deloitte,” a monthly column by Kevin Potter of Deloitte Tax LLP featured in the *Journal of Multistate Taxation and Incentives* (a Thomson Reuters publication), discusses a state incentive that has been the subject of significant debate in 2015 – New York’s 421-a property tax exemption (the “421-a exemption”). The 421-a exemption creates full or partial exemptions or tax abatements for new or substantially rehabilitated multiple unit dwellings. This article provides an overview of the 421-a exemption program, including its general operation historically, and summarizes those aspects of the program – as recently amended – that may be applicable through June 15, 2019.

[URL: http://www2.deloitte.com/us/en/pages/tax/articles/future-of-the-421-property-tax-exemption-in-new-york-city.html?id=us:em:na:stm:eng:tax:090415](http://www2.deloitte.com/us/en/pages/tax/articles/future-of-the-421-property-tax-exemption-in-new-york-city.html?id=us:em:na:stm:eng:tax:090415)

Income/Franchise:

Massachusetts: DOR Issues General Approval of Principal Reporting Corporations via Directive

Directive 15-2: Approval of Principal Reporting Corporation, Mass. Dept. of Rev. (8/28/15). The Massachusetts Department of Revenue (DOR) has issued a directive explaining

circumstances wherein a corporation other than the entity specifically designated by 830 CMR 63.32B.2(11)(a) may act as the combined group's "principal reporting corporation" under G.L. c. 63, § 32B. Pursuant to this directive, the DOR states that where a combined report was filed or is filed in good faith on behalf of a combined group by a corporation that is not the entity specifically designated by 830 CMR 63.32B.2(11)(a) to act as a principal reporting corporation, such corporation is generally deemed to be approved by the DOR as the group's principal reporting corporation *except* where the DOR "affirmatively requires the combined group's combined report and associated corporate excise returns to be filed by the member specifically designated as the combined group's principal reporting corporation in 830 CMR 63.32B.2(11)(a)." In doing so, the DOR explains that such instances of deemed approval may occur when the parent corporation of a federal consolidated group may have acted as the principal reporting corporation and filed the Massachusetts combined report and associated corporate excise returns on behalf of members of the combined group notwithstanding that the parent is not taxable in Massachusetts.

URL: <http://www.mass.gov/dor/businesses/help-and-resources/legal-library/directives/directives-by-years/2015-directives/dd-15-2.html>

The DOR notes that its authority to grant this general approval is made pursuant to Massachusetts' combined reporting regulation, which allows the DOR to approve a corporation as a principal reporting corporation where such corporation is not otherwise specifically designated in the regulation as the eligible principal reporting corporation and where the DOR's approval is in writing. The directive also states the DOR's intention to affirmatively require the combined group's combined report and associated corporate excise returns to be filed by the member specifically designated as the combined group's principal reporting corporation in 830 CMR 63.32B.2(11)(a) "only in circumstances where the failure to do so may materially affect Massachusetts tax liability, compliance, or collection."

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Income/Franchise:

Utah: New Law Expands Provisions Related to Credits/Refunds against Corporate Tax Overpayments

S.B. 1001, signed by gov. 8/27/15. Effective immediately, new law expands provisions related to Utah's credit against or a refund of an overpayment of state corporate franchise or income taxes pursuant to state law that allows a claim for credit or refund of an overpayment that is attributable to a Utah net loss carry back or carry forward so long as it is filed within three years from the due date of the return for the taxable year of the Utah net loss. Under the new law, such a credit or refund is also mandated if:

URL: <http://le.utah.gov/~2015S1/bills/static/SB1001.html>

1. The taxpayer and Internal Revenue Service agree to an extension, or a renewal of an extension, of the period for proposing and assessing a deficiency in federal income tax

for that taxable year; or there is a change in or correction of federal taxable income for that taxable year; *and*

2. The taxpayer files a claim for the credit or refund before the expiration of the time period within which the Utah State Tax Commission may assess a deficiency.

Apparently, the intent of this new law is to generally equalize the periods for which the Utah State Tax Commission may assess additional tax with the periods taxpayers may claim refunds. This new law has retrospective operation for refund claims filed or pending on or after January 1, 2015, and applies to an amount for which the Utah State Tax Commission may assess a deficiency.

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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>

No new alerts were issued this period. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.

Have a question?

If you have needs specifically related to this newsletter's content, send us an email at clientsandmarketsdeloitte@deloitte.com to have a Deloitte Tax professional contact you.

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