



Multistate Tax

State Tax Matters

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Amnesty:

Oklahoma: Reminder Issued on Voluntary Compliance Initiative that Will Run through November 13 and Provide Potential 100% Penalty and Interest Waiver

Press Release: Oklahoma Tax Commission Launches PAYRight OK Program, Okla. Tax Comm. (9/14/15). The Oklahoma Tax Commission reminds taxpayers that pursuant to recently enacted legislation [H.B. 2236], it is directing a two-month voluntary compliance initiative known as “PAYRight OK” that began on September 14, 2015 and will end on November 13, 2015, and applies for various types of administered taxes (including state corporate income and sales/use taxes) due and payable for any tax period or periods ending before January 1, 2015. Qualifying participants that file their delinquent return(s) and pay the taxes due (or enter into a payment program) during this period may potentially receive a waiver of related penalties and interest.

URL: http://www.ok.gov/triton/modules/newsroom/newsroom_article.php?id=257&article_id=16669

URL: http://webserver1.lsb.state.ok.us/cf_pdf/2015-16%20ENR/hB/HB2236%20ENR.PDF

The Oklahoma Tax Commission has also posted the program’s underlying forms, rules, and additional information on their website.

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Income/Franchise:

Tennessee: DOR Issues Guidance Reflecting Recent Law Changes, Including Economic Nexus Thresholds and Modified Apportionment and Intercompany Expense “Addback” Provisions

Tennessee Franchise and Excise Tax Guide, Tenn. Dept. of Rev. (8/15). The Tennessee Department of Revenue has updated its state corporate franchise and excise tax guidance to reflect recently enacted legislation [*H.B. 644*; see previously issued Multistate Tax Alert for more details on this new law] that includes the following modifications to Tennessee law:

URL: <https://www.tn.gov/assets/entities/revenue/attachments/feguide.pdf>

URL: <http://www.capitol.tn.gov/Bills/109/Bill/HB0644.pdf>

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-tennessee-enacts-broad-changes-to-state-tax-code.html?id=us:em:na:stm:eng:tax:091815>

- Adopts economic nexus thresholds for the business tax and the franchise and excise tax;
- Replaces the existing apportionment double-weighted sales factor with a triple-weighted sales factor for calculating franchise and excise tax;
- Amends the excise tax deduction for intangible expenses paid to an affiliate;
- Adopts market-based sourcing for sales other than the sale of tangible personal property; and
- Adds an elective apportionment calculation for high-volume sellers who choose distribution centers in Tennessee.

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Sales/Use/Indirect:

Alabama: Proposed New Rule Would Impart Nexus on Certain Out-of-State Sellers Making Threshold “Significant Sales” into Alabama

Proposed Amended New Rule 810-6-2-.90.03, Ala. Dept. of Rev. (7/31/15). The Alabama Department of Revenue (Department) has issued a proposed new rule that would establish dollar threshold conditions under which certain out-of-state sellers must collect and remit Alabama sellers use tax. As currently proposed, the draft new rule provides that out-of-state sellers lacking an Alabama physical presence but who are making retail sales of tangible personal property into Alabama “have a substantial economic presence in Alabama for sales

and use tax purposes and are required to register for a license with the Department and to collect and remit tax” when:

[URL: http://revenue.alabama.gov/rules/810-6-2-.90.03.pdf](http://revenue.alabama.gov/rules/810-6-2-.90.03.pdf)

1. The seller’s retail sales of tangible personal property sold into Alabama exceed \$250,000 per year based on the previous calendar year’s sales; and
2. The seller conducts one or more of the activities described in Alabama Code Section 40-23-68 (i.e., requiring the seller to collect and remit state use tax on sales of tangible personal property for the storage, use, or consumption in Alabama when the seller conducts certain delineated activities and / or maintains certain contacts related to its sales within Alabama).

The proposal states that this new rule would apply to all transactions occurring on or after January 1, 2016.

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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 Jersey New Jersey Tax Court Rules IRC Tax Attribute Reductions May Not be Reversed

The Tax Court of New Jersey recently held that a taxpayer could not adjust its New Jersey entire net income Corporate Business Tax base to reverse the impact of reductions in tax attributes required under the Internal Revenue Code and related consolidated return regulations. On August 25, 2015, MCI Communications Services, Inc. appealed the Tax Court’s decision. Accordingly, the case remains pending.

This Multistate Tax Alert summarizes the Tax Court’s decision and offers some taxpayer considerations.

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[URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-jersey-tax-court-rules-irc-tax-attribute-reductions-may-not-be-reversed.html?id=us:em:na:stm:eng:tax:091815](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-jersey-tax-court-rules-irc-tax-attribute-reductions-may-not-be-reversed.html?id=us:em:na:stm:eng:tax:091815)

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