



Multistate Tax

State Tax Matters

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Articles:

Georgia Hiring Credits

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), focuses on the State of Georgia’s hiring tax credits, as well as how city and county governments in Georgia may also offer local incentives.

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/credits-and-incentives-georgia-hiring-credits.html?id=us:2em:3na:stm:awa:tax:032516>

Income/Franchise:

Iowa: New Law Updates State Conformity to Internal Revenue Code

H.F. 2433, signed by gov. 3/21/16. Effective immediately and applicable retroactively for tax years beginning on or after January 1, 2015, new law generally updates statutory references to the Internal Revenue Code (IRC) as amended through January 1, 2016 (previously January 1, 2015) for state corporate and individual income tax purposes. Note that this new law continues to decouple with the bonus depreciation provisions allowed for federal tax purposes, including federal bonus depreciation permitted for the 2015 tax year.

URL: <https://www.legis.iowa.gov/legislation/BillBook?ga=%24selectedGa.generalAssemblyID&ba=hf2433>

This new law additionally rescinds certain administrative rules promulgated by the Iowa Department of Revenue, which had: i) attempted to exempt from state sales and use taxation certain manufacturing inputs, namely replacement parts; and ii) offered clarification on machinery and equipment that could be eligible for exemption via classification as tangible personal property versus real property and, instead, establishes a statutory sales and use tax exemption for certain defined manufacturing inputs (namely, replacement parts and supplies).

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Income/Franchise: Oregon: New Law Updates State Conformity to Internal Revenue Code

H.B. 4025, signed by gov. 3/14/16. Effective on the 91st day after the date on which the 2016 session of the 78th Legislative Assembly adjourns sine die, new law generally updates Oregon's corporate and personal income tax statutory references to the Internal Revenue Code as it existed on December 31, 2015, applicable "to transactions or activities occurring on or after January 1, 2016, in tax years beginning on or after January 1, 2016." The department will waive interest and penalties related to any deficiencies resulting from this law change for tax years beginning before January 1, 2016.

URL: <https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/HB4025/Enrolled>

Note that even with this new law, Oregon continues to have "rolling conformity" with respect to the definition of "taxable income."

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Income/Franchise: Texas: Compliance Reminder re: Revised Information Reporting Requirements for Certain Entities

Tax Policy News, Texas Comptroller of Public Accounts (9/15). The Texas Comptroller (Comptroller) reminds taxpayers that effective January 1, 2016, pursuant to legislation enacted in 2015 [*HB 2891*], certain entities (i.e., limited partnerships and professional associations) are

now required to file “Public Information Reports” with the Comptroller’s office in place of “Ownership Information Reports.” Failure to do so may result in a \$50 late filing penalty.

[URL: http://comptroller.texas.gov/taxinfo/taxpnw/tpn2015/tpn1509.html#issue1](http://comptroller.texas.gov/taxinfo/taxpnw/tpn2015/tpn1509.html#issue1)

[URL: http://www.capitol.state.tx.us/tlodocs/84R/billtext/pdf/HB02891F.pdf#navpanes=0](http://www.capitol.state.tx.us/tlodocs/84R/billtext/pdf/HB02891F.pdf#navpanes=0)

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Sales/Use/Indirect:

Louisiana: New Law Includes Remote Seller “Click-Through” Nexus and Affiliate Nexus Provisions

H.B. 30, signed by gov. 3/14/16. New law expands the definition of “dealer” for state sales and use tax purposes to impose additional collection requirements on certain “click-through” Internet sales or affiliate sales in Louisiana.

[URL: http://www.legis.la.gov/legis/ViewDocument.aspx?d=985206](http://www.legis.la.gov/legis/ViewDocument.aspx?d=985206)

Stay tuned for forthcoming Multistate Tax Alert for more details on this and other recently enacted sales and use tax legislation in Louisiana.

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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:2em:3na:stm:awa:tax](http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive0.html?id=us:2em:3na:stm:awa:tax)

New Louisiana corporate income and franchise tax laws address budget issues

In March 2016, Governor John Bel Edwards signed into law a number of tax bills which include the following sweeping changes to Louisiana franchise and income tax law:

- Expanding state franchise tax imposition to certain limited liability companies (LLCs) and other entities treated as subchapter C corporations for federal income tax purposes;
- Expanding state franchise tax imposition to corporations that own property in Louisiana indirectly through a partnership, joint venture, or any other business organization;
- Creating a new holding company deduction from the state franchise tax base for a portion of a corporation’s investments in and advances to its subsidiaries;

- Limiting utilization of net operating losses (NOLs) to 72% of Louisiana net income for state corporation income tax purposes;
- Requiring NOLs to be utilized on a last-in, first out (LIFO) basis from the most recent taxable loss year for state corporation income tax purposes;
- Requiring an “addback” adjustment for related party interest expense, intangible expense, and management fees for state corporation income tax purposes;
- Potentially establishing a flat 6.5% corporate income tax rate;
- Potentially repealing the federal income tax deduction for state corporation income tax purposes; and
- Restoring the state corporation income tax dividends received deduction for dividends from certain banking institutions.

In addition to the above legislation that was signed into law, the Louisiana House and Senate issued a joint resolution proposing to amend the Constitution of Louisiana to permit elimination of the federal income tax deduction for state corporation income tax purposes.

This Multistate Tax Alert summarizes these law changes that have various enactment dates and effective dates, as specified in this Alert.

[Issued: March 20, 2016]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-us-tax-new-louisiana-corporate-income-and-franchise-laws-address-budget-issues.html?id=us:2em:3na:stm:awa:tax:032516>

Have a question?

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