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Amnesty: Alabama: Amnesty Program Applications Now Being Accepted through August 30, 2016

2016 Alabama Tax Amnesty Program Applications are being accepted now through August 30, Ala. Dept. of Rev. (6/16). Pursuant to legislation enacted last year [S.B. 20; see previously issued Multistate Tax Alert for more details on this 2015 law], the Alabama Department of Revenue (Department) has launched its 2016 amnesty program, which runs from June 30, 2016 through August 30, 2016. In doing so, the Department explains that most taxes it administers, with the exception of motor fuel taxes, are eligible for this amnesty program – which includes, but is not limited to, state corporate and individual income, business privilege, excise, consumers use, sellers use, withholding, and sales taxes. Under this program, qualifying participants may receive a waiver of one-half of the interest and all of the penalties associated with the eligible taxes, as well as a three-year “look-back period.”

URL: <http://alabamataxamnesty.com/>

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-law-provides-for-alabama-tax-amnesty-program.html?id=us:2em:3na:stm:awa:tax:071516>

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Income/Franchise:

South Carolina: Revenue Ruling Explains Use of NOLs Following a Change in Ownership

Revenue Ruling No. 16-7, S.C. Dept. of Rev. (7/6/16). The South Carolina Department of Revenue (Department) has issued a thirteen-page revenue ruling that provides an overview of state net operating losses (NOLs), the application of Internal Revenue Code (IRC) Section 382 limitations on state NOL carryforwards, and the application of IRC Section 382 limitations and other NOL use limitations on South Carolina consolidated returns. The ruling includes a discussion of federal and state net unrealized built-in gains (NUBIGs) and net unrealized built-in losses (NUBILs), recognized built-in gains and losses (RBIGs and RBILs), application of the federal separate return limitation year (SRLY) rules, as well as a summary flowchart on built-in gains and losses.

URL: <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/rr16-7.pdf>

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Income/Franchise:

Tennessee: New Administrative Rule Reflects Market-Based Sourcing Provisions

New Administrative Rule 1320-06-01-.42, Tenn. Dept. of Rev. (eff. 9/26/16). The Tennessee Department of Revenue (Department) has issued a new administrative rule pursuant to legislation enacted in 2015 [*H.B. 644*; see previously issued Multistate Tax Alert for more details on this new law] that includes the adoption of market-based sourcing for sales other than the sale of tangible personal property for state franchise and excise tax purposes. Such sales are generally sourced to Tennessee if and to the extent that the taxpayer's market for the sales is in Tennessee. The new rule attempts to establish uniform rules for:

URL: http://share.tn.gov/sos/rules_filings/06-22-16.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:2em:3na:stm:awa:tax:071516>

- Determining whether and to what extent the market for a sale other than the sale of tangible personal property is in Tennessee,
- Reasonably approximating the state or states of assignment where such state or states cannot be determined, and
- Excluding the sale where the state or states of assignment cannot be determined or reasonably approximated.

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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.

2016 Sales Tax Holidays for Back-to-School Purchases

Each year, numerous states provide a sales tax holiday for consumers, typically exempting purchases of back-to-school-related items (e.g., books, clothing, etc.) from sales tax if the eligible purchase(s) occurs during a specified period.

This Multistate Tax Alert summarizes the state by state sales tax holidays currently scheduled to occur during the balance of calendar 2016, as of July 12, 2016.

[Issued: July 12, 2016]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/2016-sales-tax-holidays-for-back-to-school-purchases.html?id=us:2em:3na:stm:awa:tax:071516>

Louisiana Second Special Session: Legislative Update

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

- Single sales factor apportionment regime for most industries;
- Double-weighted sales factor apportionment for certain oil and gas taxpayers;
- Market-based sourcing for services and certain other revenues;
- Sales factor apportionment "throw-out" rule;
- Limited refunds on the inventory tax credit; and
- Other administrative updates.

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

[Issued: July 11, 2016]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/louisiana-2nd-special-session-legislative-update.html?id=us:2em:3na:stm:awa:tax:071516>

New Law in New Jersey Revises Timing of BEIP Grant as Refundable/Assignable Tax Credit

On June 30, 2016, Governor Chris Christie signed into law Assembly Bill No. 4002 (AB 4002), which changes the timing of payments for taxpayers electing to convert approved Business Employment Incentive Program (BEIP) grants but retains the deadline for electing. As previously reported earlier this year, a business that has been approved to receive a BEIP grant from the New Jersey Economic Development Authority (NJEDA) may apply to voluntarily convert the grant to a refundable tax credit for use against its state corporation business or insurance gross premiums tax liability, or apply to sell or assign such credit. Businesses seeking to convert a BEIP grant to a refundable tax credit have 180 days from the effective date of Senate Bill No. 3232 (i.e., by July 11, 2016) to direct the NJEDA to convert the grant.

This Multistate Tax Alert provides a brief overview of AB 4002, which revises the priority schedule by decreasing the percentage of the accrued amounts that are required to be issued as tax credits to businesses in years one and two, and increasing the percentages in years three through five.

[Issued: July 8, 2016]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/new-nj-law-revises-timing-of-beip-grant.html?id=us:2em:3na:stm:awa:tax:071516>

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