State Tax Matters
The power of knowing.
August 11, 2017

In this issue:

Articles:
State Conformity to Federal Provisions: Exploring the variances

In this edition of Inside Deloitte, anticipated federal tax reform serves as a backdrop for a discussion by Michael Paxton, Elil Shunmugavel Arasu, and J. Snowden Rives of Deloitte Tax LLP of the various degrees in which state income tax regimes conform to or diverge from the federal income tax regime, and consequently, how the state income tax implications of a transaction may differ significantly from the federal.
URL: https://www2.deloitte.com/us/en/pages/tax/articles/state-conformity-to-federal-provisions-exploring-the-variances.html?id=us:2em:3na:stm:awa:tax:081117

Amnesty/Voluntary Disclosure:
MTC National Nexus Program Now Offering "Online Marketplace Seller Voluntary Disclosure Initiative" from August 17 through October 17

Online Marketplace Seller Voluntary Disclosure Initiative, Multistate Tax Comm., Nexus Program (8/17). The Multistate Tax Commission (MTC) National Nexus Program is now offering a special limited-time voluntary disclosure initiative that will run from August 17, 2017 through October 17, 2017, and generally will be made available to online sellers that have nexus with a participating state as a result of having inventory located in a fulfillment center or warehouse in that state operated by a defined "marketplace provider/facilitator" or from other nexus-creating activities of a marketplace provider/facilitator in the state. According to the MTC, the following states generally appear to be participating in this program: Alabama, Arkansas, Colorado, Connecticut, Idaho, Iowa, Kansas, Kentucky, Louisiana, Nebraska, New Jersey, Oklahoma, South Dakota, Texas, Utah, Vermont, and Wisconsin. More specifically, these participating states will consider applications for voluntary disclosure received by MTC staff during the time period August 17, 2017 through October 17, 2017, from taxpayers meeting the following eligibility criteria:
URL: http://www.mtc.gov/Nexus-Program/Online-Marketplace-Seller-Initiative

1. The taxpayer has not yet registered as a seller or retailer, filed sales/use tax or income/franchise tax returns with, made payments of such taxes to, or had any other prior contact with the state concerning liability or potential liability for sales/use taxes or income/franchise taxes;
2. The taxpayer is an online marketplace seller using a defined "marketplace provider/facilitator" to facilitate retail sales into the state and has no physical presence nexus in the state, except for the online marketplace seller's inventory stored in a third-party fulfillment center located in the state or through other nexus-creating activities of the marketplace provider/facilitator on behalf of the online marketplace seller in the state;
3. The taxpayer has timely applied electronically as per the application process and instructions listed on the MTC's website [note: the underlying application form requests that the applicant provide an estimate of back tax liability to the state for the prior four years];
4. The taxpayer is seeking relief from any past due sales/use tax, including interest and penalties, and if applicable, income/franchise tax liability, including interest and penalties, in connection with its online retail sales activity in the state, except for sales/use tax collected but not remitted, with the taxpayer agreeing to register as a seller or retailer with the state and timely collect, report and remit sales/use tax and file returns on all taxable retail sales to customers in the state prospectively as of the effective date of the voluntary disclosure agreement;
5. If subject to income/franchise tax, the taxpayer further agrees to timely file income/franchise returns and pay such taxes due, commencing with the tax year including the effective date of the voluntary disclosure agreement; and
6. If the taxpayer has any collected but unremitted sales/use tax, then the taxpayer agrees to remit such tax to the state, including penalties and interest.

Accordingly, it is important to note that most states participating in this special time-limited voluntary disclosure initiative have agreed, for eligible taxpayers meeting this criteria, to waive sales/use and income/franchise back tax liability, including penalties and interest, for prior tax periods, *without regard to any lookback period*, provided the taxpayer registers as a seller or retailer to collect, report and remit sales/use tax and commences to file sales/use tax returns and remit sales/use tax as of the effective date set forth in the voluntary disclosure agreement; and if the

taxpayer is subject to income/franchise tax, the taxpayer commences filing income/franchise tax returns and paying tax due, commencing with the tax year that includes the effective date of the voluntary disclosure agreement.

Note also that the states participating in this special time-limited voluntary disclosure initiative have agreed *not* to disclose to other taxing jurisdictions the identity of any taxpayer entering into a voluntary disclosure agreement under this special time-limited initiative, except as required by law, pursuant to a court order, or in response to an inter-government exchange of information agreement in which the requesting entity provides the taxpayer's name and taxpayer identification number.

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Amnesty / Voluntary Disclosure: Oklahoma Emergency Rules Implement Upcoming Three-Month Amnesty Program that Begins September 1

Administrative Rules 710:1-17-1 through 710:1-17-9, Okla. State Tax Comm. (8/1/17). Pending gubernatorial approval, newly adopted emergency administrative rules implement recently enacted legislation [H.B. 2380; see *State Tax Matters*, Issue 2017-21, for more details on this new law] that directs the Oklahoma Tax Commission (Commission) to establish a "Voluntary Disclosure Initiative" during the period beginning September 1, 2017, and ending November 30, 2017, for eligible taxes (including the state corporate income and sales and use taxes) that permits a waiver of penalty, interest and other collection fees due on eligible taxes if a qualifying taxpayer voluntarily files the delinquent tax returns and pays, or agrees to pay pursuant to a written payment program with the Commission, the taxes due. In addition to the waiver of underlying penalties, interest and other collection fees due on eligible taxes for complying participants, the period for which additional taxes may be assessed under this Voluntary Disclosure Initiative is limited to three taxable years for annually filed taxes, or 36 months for taxes that do not have an annual filing frequency.
URL: https://www.ok.gov/tax/documents/Chapter%201_2017.pdf
URL: http://webserver1.lsb.state.ok.us/cf_pdf/2017-18%20ENR/hB/HB2380%20ENR.PDF
URL: http://newsletters.usdbriefs.com/2017/Tax/STM/170526_1.html

Under these new rules, certain otherwise qualifying taxpayers (*i.e.*, those that have collected taxes from others, such as sales and use taxes or payroll taxes, but not yet reported those taxes) may choose to enter into a modified voluntary disclosure agreement with the Commission wherein any interest waiver would be at the discretion of the Commission, and the period for which taxes must be reported and remitted or assessed may be extended beyond the three-taxable year or 36-month "lookback" period.

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Amnesty/Voluntary Disclosure:
Rhode Island: New Law Requires Implementation of 75-Day Amnesty Program Providing for Potential 100% Penalty Waiver, and Reduced Interest Due

H.B. 5175, signed by gov. 8/3/17. New law requires the Rhode Island Division of Taxation (Division) to establish a tax amnesty program that must be conducted for a 75-day period ending on February 15, 2018, which generally will be open to eligible taxpayers owing any tax (including state corporate income and sales/use taxes) imposed by the Division. In exchange for participation and underlying payment of, or agreement to pay via installments, taxes due and reduced interest for any taxable period ending on or prior to December 31, 2016 (including such taxable periods for which a bill or notice of deficiency determination has been sent to the taxpayer), qualifying taxpayers potentially may receive a waiver of all civil or criminal penalties assessed or assessable. Regarding interest due from qualifying participants, the new law provides that interest on any taxes paid for periods covered under this amnesty program must be computed at the rate imposed under R.I. Gen. Laws section 44-1-7, "reduced by twenty five percent (25%)."
URL: http://webserver.rilin.state.ri.us/BillText/BillText17/HouseText17/H5175Aaa.pdf

Note that this new law also generally conforms Rhode Island's corporate income tax estimated tax payment requirements to federal income tax law for taxable years beginning after December 31, 2017 – with the four underlying estimated tax installment payments of twenty-five percent each therefore generally due in Rhode Island on the 15th day of the 4th, 6th, 9th, and 12th months of the tax year.

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Income/Franchise:
District of Columbia Budget Legislation Codifies Unincorporated Business and Franchise Tax Rate Reductions

Act 22-0130 (D.C.B. 22-244), signed by mayor 7/31/17. Effective after a 30-day congressional review period and applicable as of January 1, 2018, recently enacted permanent legislation known as the Fiscal Year 2018 Budget Support Act of 2017 [see *State Tax Matters*, Issue 2017-30, for more details on similar emergency legislation that was also recently enacted on a temporary basis] effectively codifies certain tax rate reductions for businesses that were originally enacted on a cascading basis and subject to the availability of funding and rate decrease "trigger" thresholds under D.C. Code Ann. § 47-181 [see *State Tax Matters*, Issue 2017-11, for more details on this previously enacted legislation known as the Fiscal Year 2015 Budget Support Act of 2014 (A20-0424)] – all of which subsequently were certified by the District of Columbia Office of the Chief Financial Officer as having been sufficiently met. Accordingly, under this recently enacted permanent legislation, the following District of Columbia tax rates are codified as applicable to unincorporated businesses and taxpayers subject to the corporation franchise tax as follows:
URL: http://lims.dccouncil.us/Download/37853/B22-0244-SignedAct.pdf
URL: http://newsletters.usdbriefs.com/2017/Tax/STM/170728_3.html
URL: http://newsletters.usdbriefs.com/2017/Tax/STM/170317_3.html

- For tax years beginning after December 31, 2014 but before January 1, 2016, the unincorporated business and incorporated business franchise tax rate is 9.4 percent (note: for years prior, the rate generally was 9.975 percent);
- For tax years beginning after December 31, 2015 but before January 1, 2017, the unincorporated business and incorporated business franchise tax rate is 9.2 percent;
- For tax years beginning after December 31, 2016 but before January 1, 2018, the unincorporated business and incorporated business franchise tax rate is 9.0 percent; and
- For tax years beginning after December 31, 2017, the unincorporated business and incorporated business franchise tax rate is 8.25 percent.

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Income/Franchise: Minnesota Supreme Court Affirms that Foreign Disregarded Entity's Income and Apportionment Factors are Properly Included in Combined Return

Case No. A16-1257, Minn. (8/2/17). Regarding a chemical distributor's Minnesota unitary combined franchise tax report, the Minnesota Supreme Court (Court) affirmed in favor of the domestic parent taxpayer by allowing it to include the net income and apportionment factors of its foreign disregarded entity in calculating its Minnesota tax liability, holding that the consequences of the election made under federal tax law by the foreign entity must be recognized for Minnesota tax purposes. In doing so, the Court essentially held that:
URL: https://mn.gov/law-library-stat/archive/supct/2017/OPA161257-080217.pdf

- A foreign entity's election under federal tax law to have its status as a separate entity disregarded is recognized under Minnesota tax law when calculating the "net income" of its domestic owner; and
- Including in "net income" the income of a foreign entity that elects under federal tax law to be disregarded as a separate entity does *not* violate Minnesota's water's edge rule, Minn. Stat. § 290.17, subd. 4(f) (2012), because the disregarded entity does not retain a nationality separate from its owner under Minnesota tax law.

The Minnesota Department of Revenue unsuccessfully argued that state water's edge law in effect for the tax years at issue prohibited the inclusion of the foreign entity's income and apportionment factors in calculating the domestic parent's Minnesota tax liability, regardless of its treatment under federal law.

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Income/Franchise:
New York Releases New Guidance for Receipts Factor Methodology for the Owners of SMLLCs That Are Registered Broker-Dealers

NYT-G-17(2)C, N.Y. Dept. of Tax. & Fin. (8/2/17). On August 2, 2017, the New York State Department of Taxation and Finance (Department) released NYT-G-17(2)C (guidance) addressing the computation of the receipts factor for the corporate owner of a single member limited liability company (SMLLC) that is a registered securities broker-dealer (broker-dealer).1 The guidance addresses whether a corporation may be considered a registered broker-dealer for purposes of the special (generally customer based) receipts sourcing rules under Article 9-A (generally pertaining to all years)[2] when the corporation itself does not qualify as a registered broker-dealer. The guidance applies for purposes of computing the apportionment factor for purposes of the MTA surcharge for all years as well.
URL: https://www.tax.ny.gov/pdf/guidances/corp/g17_2c.pdf

The guidance presents a fact pattern where Taxpayer (a corporation subject to Article 9-A) owns 60% of Investment Adviser (IA). IA, a limited partnership, is not a broker-dealer registered with the Securities Exchange Commission (SEC), but is registered with the SEC as an investment adviser that maintains its own Central Registration Depository (CRD) number. IA owns 95% of Partnership D. Partnership D owns 100% of Brokerage, a SMLLC that is registered as a broker-dealer with the SEC and the Financial Regulatory Authority (FINRA) and maintains its own CRD number. Through its ownership of Partnership D, and indirect ownership of Brokerage, IA and IA employees are treated as "associated persons" of Brokerage that may perform broker-dealer activities under Brokerage's license. Nevertheless, an associated person is not itself a registered broker-dealer.

Taxpayer calculates its tax with respect to its ownership of IA using the aggregate method. A corporation using the aggregate method "is treated as participating in the partnership's transactions and activities."[3] As such, the guidance states that Taxpayer must include in its receipts factor its distributive share of Brokerage's receipts from broker-dealer activities. However, the guidance states that despite IA's qualification as an "associated person" of Brokerage, neither IA nor Taxpayer is treated as a registered broker-dealer for purposes of the special receipts sourcing rules and only their respective share of Brokerage's receipts may be sourced under the special sourcing rules.

The Department's analysis cites TSB-A-13(11)C (TSB), in which the single member of several registered broker-dealer SMLLCs was "deemed" by the Department to be a registered broker-dealer that could use broker-dealer sourcing rules for any receipts derived from the broker-dealer SMLLCs.[4] The Department states in the guidance that the TSB "made no conclusion as to whether the taxpayer may consider itself to be a registered securities broker-dealer for purposes of the treatment of its own receipts." Nevertheless, as practitioners have noted, the TSB made the broad statement that "if a SMLLC that is treated for tax purposes as a disregarded entity is a registered broker-dealer, its single member should be treated for purposes of the allocation rules under Tax Law § 210.3(a)(9) as a registered broker-dealer."[5]

Also, as part of the guidance, the Department stated that it was clarifying its previous position that a partner of a registered broker-dealer partnership was itself *deemed* to be a registered broker-dealer. Instead, the Department stated that the "better view" is that a partner of a registered broker-dealer partnership may source its distributive share of the partnership receipts *as if* the partner were a registered broker-dealer.

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[1] *See* New York State Department of Tax and Finance, "Receipts Factor Methodology for the Owners of Single Member Limited Liability Companies That Are Registered Broker-Dealers," NYT-G-17(2)C, August 2, 2017, *available at* https://www.tax.ny.gov/pdf/guidances/corp/g17_2c.pdf.
[2] New York Tax Law Sec. 210.3(a)(9) (for tax years beginning before January 1, 2015) and New York Tax Law Sec. 210-A(5)(b) (for tax years beginning on or after January 1, 2015).
[3] 20 NYCRR 3-13.1(b).
[4] TSB-A-13(11)C.
[5] *See* http://www.hodgsonruss.com/blogs-State-and-Local-Tax-Blog,tiny-report-for-august-4-2107-reporting

Finally, the Department distinguished the treatment of SMLLC receipts for apportionment purposes from the treatment of an SMLLC as it relates to the imposition of a penalty or tax or the qualifications to claim a tax credit, under which the Department attributes the characteristics and qualifications of a SMLLC to its single member.[6]

Note that such "NYT-G" guidance is only an informational statement based on a specific set of facts and offered to provide guidance on the law; a NYT-G is not intended to replace the law or change its meaning. Please contact us with any questions.

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Indirect/Sales/Use: Pennsylvania DOR Holds that Certain Online Information Retrieval Products Constitute Taxable TPP

Legal Letter Ruling No. SUT-17-002, Penn. Dept. of Rev. (5/17/17). The Pennsylvania Department of Revenue (Department) has issued a legal letter ruling that discusses whether certain described online information retrieval products are subject to state sales and use taxation as tangible personal property – holding that, in this instance, they are taxable because the transactions are comprised of both:
URL: http://www.revenue.pa.gov/GeneralTaxInformation/TaxLawPoliciesBulletinsNotices/Documents/Letter%20Rulings/SUT/sut-17-002.pdf

- A license to electronically access and use canned computer software, and
- The right to electronically access tangible personal property.

In doing so, the Department explains that by applying relevant statutory and regulatory provisions to the information retrieval products at issue, both the functionality and the resource content are relevant. The facts involve subscription-based online research services that allow subscribing professionals to search and access various types of content and information. When a subscriber interacts with the information retrieval products through an advanced search function, search commands are transmitted by the subscriber's web browser to the taxpayer's servers and then application software processes the queries and returns the results to the subscriber. In utilizing the search function of the information retrieval product, the Department explains, the subscriber is exercising a license to access canned computer software. Furthermore, the Department explains that by entering inputs to obtain a certain desired output, the subscriber is exercising power and control over the software.

Note that this taxation of fees to access information online and general characterization as taxable software license fees may be contrary to previous practitioner stances that information retrieval services where the vendor maintains an information database that the purchaser searches are not subject to Pennsylvania sales and use taxation under the theory that such a purchaser is merely buying access to that database or information. Please contact us with any questions or comments.

[6] *See*, *e.g.*, N.Y. Tax Law Sec. 43, as added by L.2017, Ch. 59, Part Q.

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Indirect/Sales/Use:
Rhode Island: New Law Contains Economic Nexus Provisions, Information Reporting & Notice Requirements on Some Remote Sellers, Including Marketplace Facilitators

H.B. 5175, signed by gov. 8/3/17. New law provides that the existence and/or presence of a non-collecting retailer's, referrer's, or retail sale facilitator's in-state software on the devices of in-state customers constitutes physical presence of the non-collecting retailer, referrer, or retail sale facilitator in Rhode Island under *Quill* – noting that while such a physical presence may not be "presence" in the traditional sense, a non-collecting retailer, referrer, or retail sale facilitator who uses in-state software and engages in a significant number of transactions with in-state customers in a calendar year or receives significant revenue from Internet sales to in-state customers in a given calendar year evidences an intent to establish and maintain a market in Rhode Island for its sales. More specifically, defined non-collecting retailers must register, collect and remit applicable state sales and use taxes on their respective taxable in-state sales if in the immediately preceding calendar year they either:
URL: http://webserver.rilin.state.ri.us/BillText/BillText17/HouseText17/H5175Aaa.pdf

- Have gross revenue from the sale of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or have taxable services delivered into Rhode Island equal to or exceeding $100,000; or
- Have sold tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for delivery into Rhode Island in 200 or more separate transactions.

As an alternative to registration and collection/remittance of state sales and use tax, such non-collecting retailers have the option to choose to comply with new information reporting and consumer notice requirements, or else face penalties for noncompliance [see Rhode Island Division of Taxation's recently issued Notice 2017-05, Notice 2017-06, Notice 2017-07, Notice 2017-08, Notice 2017-09, and Notice 2017-10, for more details on application of this new law to non-collecting retailers]. Additionally, defined retail sale facilitators and referrers meeting these same $100,000 sales or 200 separate transactions thresholds in the immediately preceding calendar year must adhere to new notice and/or information reporting requirements, or else face penalties for noncompliance – with some provided exemptions [see Rhode Island Division of Taxation's recently issued Notice 2017-03, and Notice 2017-04, for more details on application of this new law to retail sale facilitators and referrers, respectively]. Note that the operative date on these varying requirements for non-collecting retailers and referrers generally apply "beginning on the later of July 15, 2017, or two weeks after the enactment" of this new law, while the new requirements for retail sale facilitators generally apply beginning January 15, 2018.
URL: http://www.tax.ri.gov/notice/Notice%202017-05%20--%20Non-collecting%20Retailer%20Website%20Notice%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-06%20--%20Non-collecting%20Retailer%20January%2031%20Notice%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-07%20--%20Non-collecting%20Retailer%20Checkout%20Notice%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-08%20--%20Non-collecting%20Retailer%20Attestation%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-09%20--%20Non-collecting%20Retailer%20Advisory%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-10%20--%20Non-collecting%20Retailer%2048%20Hour%20Notice%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-03%20--%20Retail%20Sale%20Facilitator%20Notice%20--%2008-04-17.pdf
URL: http://www.tax.ri.gov/notice/Notice%202017-04%20--%20Referrer%20Notice%20--%2008-04-17.pdf

Under this new law, a "non-collecting retailer" is generally defined as a party that participates in at least one of the following activities:

- Uses in-state software to make sales at retail of taxable goods/services;
- Sells, leases, delivers, or participates in any activity relating to the sale, lease, or delivery of taxable goods/services, including:
    - Using a referrer, retail sale facilitator, or other third party for direct response marketing or referral;
- Uses a sales process including listing, branding, selling, soliciting, processing, fulfilling, or exchanging;
- Offers taxable goods/services for sale through retail sale facilitators; or
- Is related to a person with physical presence in Rhode Island.

The legislation generally defines a "retail sale facilitator" as any person or persons that facilitates a sale by a retailer by engaging in the following types of activities:

- Using in-state software to make sales at retail of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services; or
- Contracting or otherwise agreeing with a retailer to list and/or advertise for sale tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services in any forum, including, but not limited to, a catalog or Internet website; and either directly or indirectly through agreements or arrangements with third parties, collecting payments from the in-state customer and transmitting those payments to a retailer.

A "referrer" is generally defined as a person who:

- Contracts or otherwise agrees with a retailer to list and/or advertise for sale in Rhode Island tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services in any forum, including, but not limited to, a catalog or Internet website;
- Receives a fee, commission, and/or other consideration from a retailer for the listing and/or advertisement;
- Transfers, via in-state software, Internet link, or otherwise, an in-state customer to the retailer or the retailer's employee, affiliate, or website to complete a purchase; and
- Does not collect payments from the in-state customer for the transaction.

The new law also generally defines "in-state software" as software used by in-state customers on their computers, smartphones, and other electronic and/or communication devices, including information or software such as cached files, cached software, or "cookies", or other data tracking tools, that are stored on property in Rhode Island or distributed within Rhode Island for the purpose of purchasing tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services.

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Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.
Archive: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive0.html?id=us:2em:3na:stm:awa:tax

California FTB Issues Ruling on the Application of Market-Based Sourcing Rules to "Non-Marketing" Services

The California Franchise Tax Board (FTB) recently released Chief Counsel Ruling 2017-01 (Ruling 2017-01) in which a subcontractor (Taxpayer) to health plans sought a ruling in connection with three issues related to the proper sourcing under California Revenue & Taxation Code Section 25136 and California Code of Regulations Section 25136-2 of sales derived from the Taxpayer's performance of certain management and administrative services that the health plans were contractually obligated to perform for its customers. Specifically, the Taxpayer sought guidance on whether those services constituted "non-marketing" services that were properly assigned based on the location of its customer, the health plans (and not the health plan's customer(s)), whether the benefit derived by the health plans from the Taxpayer's services was the discharge of the health plan's contractual obligation to provide those services to its customers, and whether the location where the health plans derived such benefit was at the location of the health plans' current base of operations. The FTB granted the Taxpayer's request for ruling, answering all three questions in the affirmative, and applied the rationale set forth under Chief Counsel Ruling 2015-03.

This Multistate Tax Alert summarizes Ruling 2017-01, and provides some taxpayer considerations.
[Issued August 2, 2017]
URL: https://www2.deloitte.com/us/en/pages/tax/articles/california-ftb-issues-ruling-on-the-application-of-market-based-sourcing-rules-to-non-marketing-services.html?id=us:2em:3na:stm:awa:tax:081117

Texas Comptroller Revises Policy on Temporary Credit for Business Loss Carryforwards

On June 30, 2017, the Texas Comptroller of Public Accounts released guidance indicating that two existing policies related to the temporary credit for business loss carryfowards would be revised, notably the policy on (1) utilizing the temporary credit on subsequent reports, and (2) the ability for a combined group to utilize the temporary credit of a departing group member.

This Multistate Tax Alert summarizes the existing regulatory and statutory guidance affecting the temporary credit, the guidance provided in the Texas Comptroller Letter and provides some related taxpayer considerations.
[Issued August 4, 2017]
URL: https://www2.deloitte.com/us/en/pages/tax/articles/texas-comptroller-revises-policy-on-temporary-credit-for-business-loss-carryforwards.html?id=us:2em:3na:stm:awa:tax:081117

Washington State Issues Special Notice Interpreting the Applicable Nexus Standard, Apportionment, and Service B&O Tax on Director Fees

The Washington Department of Revenue recently published a *Special Notice, Director fees subject to Business and Occupation tax* that reiterates the Department's interpretation of Washington law regarding the applicable nexus standard, apportionment, and types of director fee compensation that are subject to the Business and Occupation tax.

This Multistate Tax Alert summarizes the Special Notice and provides some taxpayer considerations.
[Issued August 7, 2017]
URL: https://www2.deloitte.com/us/en/pages/tax/articles/washington-state-issues-special-notice-interpreting-the-applicable-nexus-standard-apportionment-and-service-b-and-o-tax-on-director-fees.html?id=us:2em:3na:stm:awa:tax:081117