



State Tax Matters

November 7, 2014

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Income/Franchise:

Wisconsin: Department of Revenue Explains Controlled Group Election for Combined Reporting Purposes

Tax Bulletin No. 186, Wis. Dept. of Rev. (10/14). The Wisconsin Department of Revenue reminds taxpayers that the designated agent of a commonly controlled group of corporations may make an election to include every corporation in the combined group without determining if each corporation is a unitary business for state corporate income/franchise tax purposes. To do so, the designated agent must make the election on the timely filed original return by the extended due date or on an amended return filed on or before the end of the automatic seven-month extension period for filing the original return. The controlled group election, once made, generally is binding on all members of the combined group for the year the election is made and for the next nine taxable years. However, a member is not bound by the election upon departure from the group. After the ten-year election expires, the designated agent may renew the election for another ten years.

URL: <http://revenue.wi.gov/ise/wtb/186.pdf#page=1>

The guidance also explains that the controlled group election does not have an effect on the “commonly controlled group” test or the “water’s edge” test, and that if the designated agent makes the controlled group election, all of the corporations in the group will forgo the unitary business test. However, all of the corporations in the group must still meet the requirements of the commonly controlled group and water’s edge test as explained in Tax 2.61(3) and (4), Wis. Adm. Code. According to the guidance, the Department of Revenue may not disregard the tax effect of an election, or disallow the election for any year in which the election applies.

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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.

Archives: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax

Election 2014 – State Tax Policy Remains Looming Factor as Voters in 36 States Decided Who Will Serve as Governor

On November 4, 2014, voters in each of 36 states chose a Governor for their respective state and, in doing so, may have determined the fate of important state tax policy measures. Of the 36 contested gubernatorial elections this year, the projected final results indicate that we will have at least 10 new sitting governors – in Arizona, Arkansas, Hawaii, Illinois, Maryland, Massachusetts, Nebraska, Pennsylvania, Rhode Island, and Texas – including at least 5 reflecting political party affiliation changes.

Of particular note are the projected election results in Illinois, Massachusetts, and Pennsylvania – states where tax policy issues were especially prominent in the election campaigns and where we now have not only new sitting governors, but also political party affiliation changes. Also noteworthy is gubernatorial election campaigning in states such as Alaska, California, Florida, Kansas, and Michigan where tax policy was often at the forefront of the debate.

This Multistate Tax Alert highlights some of the tax policy stances voiced by the new, soon-to-be sitting state governors during their respective election campaigns, as well as by select incumbent state governors who were particularly vocal on this issue during their re-election campaigns, and what that might mean for their state tax regimes.

[Issued: November 6, 2014]

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/487fce27a2989410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax:110714

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_election_state_tax_11072014.pdf?id=us:em:na:stm:eng:tax:110714

Nevada Voters Reject Proposed Margin Tax

On November 4, 2014, Nevada voters rejected the Education Initiative that would have enacted a gross receipts (“margin”) tax effective January 1, 2015. For more on this topic, check out this Multistate Tax Alert.

[Issued: November 5, 2014]

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/7dc7f9d272489410VgnVCM2000003356f70aRCRD.htm?id=us:em:na:stm:eng:tax:110714

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Images/Thumbnails/us_tax_Nevada_margin_110614.pdf?id=us:em:na:stm:eng:tax:110714

Changes to New York’s Metropolitan Commuter Transportation Mobility Tax

New York Tax Law imposes the Metropolitan Commuter Transportation Mobility Tax (“MCTMT”) on certain employers and self-employed individuals engaging in business within the metropolitan commuter transportation district (“MCTD”). New York’s 2014-2015 Budget Act included certain provisions that simplify the administration of the MCTMT on self-employed individuals and members of partnerships engaging in business within the MCTD. These changes are effective for tax years beginning on or after January 1, 2015. The payment and filing due dates for the MCTMT imposed on employers have not changed.

This Multistate Tax Alert discusses the changes to the MCTMT and suggests some taxpayer considerations.

[Issued: October 31, 2014]

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/b17648379b479410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:110714

URL: http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_multistate_MCTMT_NY_11032014.pdf?id=us:em:na:stm:eng:tax:110714

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