



Multistate Tax

State Tax Matters

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Articles:

California's New Partial Sales and Use Tax Exemption: Tax exemptions for manufacturing and research & development activities

Starting July 1, 2014, a significant new partial sales and use tax exemption for certain manufacturing or research and development equipment purchases became available in California. Taxpayers involved in manufacturing or research and development activities in California can now potentially reduce their California sales and use tax liability by more than \$8 million annually. This article authored by Karri Rozario and Hal Kessler of Deloitte Tax LLP gives an overview of this new exemption, addresses each of the several key definitions in the underlying statute and final administrative regulation, and provides observations regarding the new exemption's application.

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/california-new-partial-tax-exemption.html?id=us:em:na:stm:eng:tax:013015>

URL: <http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-californias-new-partial-tax-exemption-for-manufacturin-and-research-development-012315.pdf?id=us:em:na:stm:eng:tax:013015>

Income/Franchise:

Minnesota: New Law Updates State Conformity to IRC

H.F. 6, signed by gov. 1/24/15. For state corporate income/franchise tax and individual income tax purposes, effective January 25, 2015, new law generally updates Minnesota's definition of the Internal Revenue Code (IRC) to the IRC of 1986, as amended through December 31, 2014. The federal conformity changes are effective retroactively to the time the changes were

effective for federal purposes. Note that the updated federal conformity generally does not change Minnesota's statutory modifications such as bonus depreciation and IRC Sec. 199 deductions.

URL:

https://www.revisor.mn.gov/bills/text.php?number=HF0006&session=1s89&version=list&session_number=0&session_year=2015

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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>

Tax Increase Prevention Act of 2014 Law Changes and IRS Guidance on Alternative Energy Tax Credits

On December 19, 2014, President Obama signed into law the Tax Increase Prevention Act of 2014 (TIPA), which extended the termination dates applicable to various alternative energy credits and made other related law changes. On January 16, 2015, the Internal Revenue Service (IRS) issued IRS Notice 2015-3 ("Notice 2015-3") as mandated under TIPA. Notice 2015-3 outlines the procedures for filing a one-time claim for refund (due on or before August 8, 2015) for the credits allowed with respect to alternative fuel and biodiesel mixtures sold and used during the 2014 calendar year and provides other guidance and clarification.

This Multistate Tax Alert summarizes these and other related law changes and procedural guidelines.

[Issued: January 26, 2015]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-tipa-2014-law-changes-and-irs-guidance-on-alternative-energy-tax-credits.html?id=us:em:na:stm:eng:tax:013015>

New York City Proposes Corporate Tax Reform

On January 12, 2015, New York City Mayor Bill de Blasio proposed major reforms of the New York City corporate tax structure. The proposed reforms were included in Governor Cuomo's 2015-2016 Executive Budget released on January 21, 2015. If enacted into law, the proposed reforms would bring the New York City General Corporation Tax into substantial conformity with the New York State corporate franchise tax reforms enacted in 2014. However, unlike the State's enacted corporate reform, the New York City reform proposals do not contain an income tax rate reduction for all corporate taxpayers and do not call for the reduction and ultimate elimination of the alternative tax base on capital. Also, the proposals do not modify New York City's unincorporated business tax and do not appear to apply to federal subchapter S corporations or subchapter S subsidiaries, which would continue to be taxed in accordance

with the currently-applicable, pre-reform provisions. The reforms, as contained in the proposed draft legislation, are intended to be revenue neutral and, if enacted, are expected to be retroactive to January 1, 2015.

This Multistate Tax Alert summarizes the more significant proposed law changes.

[Issued: January 23, 2015]

URL: <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-new-york-city-proposes-corporate-tax-reform.html?id=us:em:na:stm:eng:tax:013015>

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