

Upcoming Franchise Tax Board Interested Parties Meeting - California Market-Based Sourcing Rules for Asset Managers

The California Franchise Tax Board (FTB) is holding an Interested Parties Meeting (IPM) on January 20, 2017 to solicit public input on possible proposed amendments to California's market-based sourcing regulation under California Code of Regulations, Title 18, Section 25136-2 (Regulation 25136-2). Among the topics to be discussed are market-based sourcing rules specifically applicable to asset management service revenue received by managers who are *not* providing services to regulated investment companies (RICs), also commonly referred to as mutual funds. (Background on recent amendments to Regulation 25136-2 can be found in this [Deloitte Tax External Alert](#).) The FTB also plans to include discussion at the IPM on other issues associated with the market-based sourcing rules under Regulation 25136-2, including the rules for sourcing dividend and interest income.

Asset managers who may be impacted by these potential changes should consider participating in the IPM by telephone or attending in person. Instructions for attending are contained in the [FTB announcement](#). Note that anyone planning to attend in person is asked to RSVP by January 13, 2017. The FTB's description of the topics to be discussed is also [posted online](#).

If you have questions regarding the IPM or other California tax matters, please contact any of the following Deloitte Tax professionals:

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