

The 2014 National Multistate Tax Symposium

Mega-Trend Breakouts:

Mega-Trend: Sales/Market Based Apportionment and Nexus Focus

This session will consider the overall mega-trend of states moving to a sales and market-based focus with respect to corporate income tax apportionment and nexus. Specifically, the panel will address the impact of states' movement away from equally weighted three-factor apportionment formulas, the implementation of market-based sourcing for services and intangibles, and the imposition of "bright-line" nexus standards. Our panelists will provide practical insights on the interplay of these topics, how states are actually applying these policies, and how this movement may impact your global state tax posture.

Mega-Trend: Intercompany Expense Disallowance via "Add-back" Statutes

Over the past several years, roughly half the states have enacted "add-back" statutes disallowing certain classes of intercompany royalty, interest, management fee, and other intangible expense deductions. This mega-trend continues to gain momentum with many more states considering future enactment, and others further expanding their existing statutes. This session will consider how variations of these statutes are changing the state tax planning landscape. Learn how states are interpreting and procedurally implementing their expense disallowance provisions, including the varying prescribed "safe harbor" exceptions.

Mega-Trend: Sales Tax on Services and Digital Products

This session will address the mega-trend of how many states are statutorily expanding their sales and use tax base by broadening the definition of items subject to taxation to include more types of services and to include certain digital products and services, by modifying their tax rates, and by implementing affiliate and/or "click-through" nexus standards that impose more expansive tax collection and/or information reporting requirements based on perceived in-state "physical presence."

General Breakouts:

Hot Topics in Sales and Use Tax

This session will cover select sales and use tax developments related to the taxation of tangible personal property and certain services. Specialists in the field will discuss topics such as nexus, business inputs, computer software and services, manufacturing, contracting, and Internet sales, as well as provide an update on the Streamlined Sales Tax Project (SSTP).

Hot Topics in Credits and Incentives

Despite state budget shortfalls, there are still numerous credit and incentive opportunities available for taxpayers to consider as states "compete" for new or expanding business. This panel of C&I specialists will discuss important state legislative developments and trends in this area, as well as shed practical insight on how best to procure and manage C&I benefits.

State Taxation of Flow Through Entities

Many corporate organizational structures encompass some element of flow-through entities. Join our pass-through entity specialists as they discuss the growingly uniform, yet still distinct, state income tax treatment of partnerships and limited liability companies – such as apportionment factor flow-through, unitary considerations, impact of intercompany transactions, entity-level taxation, and withholding taxes. Select sales and indirect tax consequences will also be addressed.

Non-Resident Withholding on Executive Compensation and Mobile Employees

Non-resident state tax withholding on certain forms of executive compensation such as stock options, deferred compensation and retirement benefits is a vexing issue for most employers. This session will address the myriad of concerns related to taxability, timing, and sourcing, as well as offer practical tips on how to design pro-active solutions. The panel will also consider employer withholding questions related to mobile workforce employees and international assignees.

Unitary/Combined Filing Developments

This session will provide an update on key unitary/combined return reporting developments. Topics include the growing trend of both combination/de-combination audits, managing elective combination mechanisms, coordination with federal consolidated return rules, “Joyce” v. “Finnigan,” treatment of intercompany transactions, net operating loss utilization in combined returns, and trapped credit application. The panel will also consider implications of the ongoing “Gore” litigation.

Deep Dive into California Corporate Income Tax Issues

California corporate income taxation represents one of the most complex challenges in all of state taxation regardless of whether a business is headquartered or simply doing business in the state. This panel of California corporate income tax specialists will explore California’s distinct and, at times, cutting-edge approach to combination, sourcing, tax base modifications, net operating losses, dividends, intercompany transactions, and other federal “disconnects.” The panel will also address implications of the ongoing “Gillette” litigation and repeal of the Multistate Tax Compact.

State Tax Implications of International Transactions

Multinational businesses must determine the state income tax consequences of international transactions and operations from both an outbound and inbound perspective. These state tax specialists will discuss issues related to state income taxation of foreign corporations, as well as foreign source income in the form of dividends, gross-ups, Subpart F income, and IRC Section 1248 gains. They will also explore potential state tax return filing issues encountered by non-US entities such as the interplay of state nexus standards and possible application of federal income tax treaties on state taxation.