



General breakouts

Multistate tax controversies: A mixed bag of issues

This session will explore a myriad of “classic” yet ongoing multistate tax issues still being challenged by the states in audits or other administrative forums, including transactions between affiliates through IRC § 482-type state provisions, discretionary adjustment powers in transfer pricing arrangements, states’ use of outside contractors, debt versus equity analysis in recharacterizing hybrid structure intercompany debt, interpretations of statutory related-party expense disallowance provisions, and reporting federal audit adjustments at the state level. The speakers will also look at some newer state tax controversies and issues that may arise in our digital age in light of *Wayfair*, the new federal partnership-level audit regime, and the growing use of cryptocurrency. Learn how your business may cope and prepare to defend state audits or assessments arising from this mixed bag of multistate tax issues.

The evolution and expansion of taxation by local taxing authorities

Much like the federal and state governments within which they operate, local taxing jurisdictions may seek to generate revenue through added or higher taxes while simultaneously trying to attract and maintain certain business investment in their localities through fewer or lower taxes. This session will examine a growing trend among local taxing authorities to attempt to expand their reach with newer forms of local taxation, as well as impose higher property taxes on some businesses. The speakers will contemplate some of the latest locally imposed taxes in light of federal and state constitutional limitations, including whether these limitations apply at the local level, as well as within the context of surrounding local business and community debate. They will also cover select controversies, legislation, and administrative developments in property taxation and how they may impact your business.

Indirect tax: Marketplace facilitators – could this be you?

Panelists in this session will discuss the manner and scope of state and local taxing power over out-of-state businesses in our post-*Wayfair* world and what the expanded reach over out-of-state businesses to register and collect indirect/sales/use taxes means for your tax planning and compliance functions. On the buy side, the speakers will consider how businesses now may be more vulnerable to double or multiple taxation on purchased goods and services given the i) new landscape of vendors and marketplace participants that may include remote sellers, marketplace facilitators, and referrers—all with their own sets of rules and responsibilities; and ii) intricacies of tracking tax payments and accruals across

multiple supply chains. The speakers will highlight some practical tips and leading practices for your indirect tax compliance systems and processes to mitigate the increased risks.

Living with market-based sourcing – calculating today’s sales factor

Uncertainty and frustration may occur when it comes to applying and implementing the myriad of state corporate income-franchise tax sales factor “market-based sourcing” rules in today’s transformed and digitized business environment. Statutory and administrative guidance, if any, can be lengthy, confusing, and sometimes conflicting, and yet taxpayers must file their state returns and “comply.” This session will take a closer look at some practical real-world market-based sourcing issues and then consider documentary and compliance options for your organization, including what may be a permissible “reasonable approximation,” ways to plan for and manage related audits and disputes, and whether it makes sense to proactively pursue alternative apportionment to reach a workable solution. The session also will touch on how market-based sourcing rules potentially may influence state nexus and tax filing positions overall in our post-*Wayfair* world.

Indirect tax classification challenges – digitizing the archaic

Most state sales and use tax regimes were enacted when sales of goods, rather than services, constituted the vast majority of consumer spending—which prompts the question of how, in our now predominantly service-based digital economy, some states have been translating somewhat “archaic” state sales and use tax provisions that are still on the books. The speakers in this session will consider select instances where state taxing authorities have interpreted existing provisions to expand the tax base, limit exemptions, or put a new type of service or offering into an already enumerated (and possibly wholly unrelated) taxable service. Alternatively, the speakers will consider how taxpayers in today’s digital economy potentially may apply some of these older provisions amidst the chaos of often outdated state sales and use tax provisions.

Point/counterpoint – multistate tax and pass-through entity structures

Pass-through entity specialists in this session will closely examine the new federal partnership-level audit regime from a state perspective by debating over opposing and conflicting views on the Multistate Tax Commission’s model statute for reporting federal partnership audit adjustments at the state level, as well as surveying how some states have chosen to implement pass-through entity-level audits at the state level since enactment of the federal 2015 Bipartisan Budget Act. Addressing both tax compliance and controversy aspects and providing practical tips along the way, the speakers also will cover other trending multistate tax issues facing businesses with flow-through entity structures, including some complex state tax considerations brought about by the TCJA.

Mergers, acquisitions, & restructurings in a post-tax reform world

Out with the old; in with the new—especially in our post-TCJA world. This new era of multistate taxation brings chances and challenges to address state tax issues and execute state tax planning arising from mergers, acquisitions, and reorganizations. The speakers in this session will examine state income tax implications and considerations of corporate transactions within the context of various federal tax authorities, including distributions, contributions, liquidations, and tax-free reorganizations. They will also review and consider i) differences between the federal tax treatment of transactions under the consolidated return rules, state combined return treatment under specific state regimes, and separate state return treatment; ii) the due diligence process, such as successor liability, indemnifications, and other possible risks brought about by *Wayfair* and the TCJA; and iii) post-restructuring integration prospects to achieve tax efficiencies.