



MULTISTATE TAX COMMISSION

## **Uniformity Committee Meeting**

Monday, July 27, 2020

2:00 P.M. – 5:00 P.M. Eastern

(Held via Video Conference)

### **Reporting Federal Adjustments – Partnership Issues**

Helen Hecht, MTC Uniformity Counsel

An issue was brought to the attention of the MTC that the method under the model for partners to claim a refund of state taxes related to a federal adjustments needed to be clarified. Based on general discussions held between staff and various parties, the problem stems from the fact that, regardless of whether the federal refund adjustment results from an audit or from an administrative adjustment request filed by the partnership, the model does not clearly provide for how the partners would obtain refunds of related state taxes.

To make sure the model provides sufficient guidance on this issue, staff recommends that the partnership workgroup be reconvened for the purpose of suggesting possible provisions—looking to other states that have also considered the issue—and issue interim guidance while modifications to the model can be drafted. Staff would work with practitioners and states to provide analysis of the issue and to propose modifications as soon as possible. The goal would be to have a final draft for consideration by the uniformity committee at its next meeting.