

Multistate Tax Commission



Resolution 98-9

Accountability of Multijurisdictional Corporate Income

WHEREAS, Public Law 86-272 was enacted in 1959 as a temporary measure, and was intended to be replaced by a subsequent measure regarding State jurisdiction to tax certain items of corporate income, and

WHEREAS, the nature of the economy that existed when P.L. 86-272 was enacted has greatly changed over the nearly 40 years that P.L. 86-272 has been in effect, and P.L. 86-272 no longer reflects the present structure of the national economy, and

WHEREAS, it is believed that uniformity efforts by States in the area of corporate income tax could result in the development of greater uniformity in the apportionment of multijurisdictional corporate income, including nexus considerations that would better achieve full accountability of income;

NOW, THEREFORE, BE IT RESOLVED, that interested States should study and conduct a comprehensive review of corporation income apportionment issues, including an examination of the effect of the continued application of P.L. 86-272, and be it further

RESOLVED, that once States have developed reasonable alternatives for uniform corporate income apportionment, designed to achieve full accountability for multijurisdictional corporate income, States should articulate to their respective State legislatures and Congress the need for change to bring State income taxation into a closer relationship with existing economic conditions.

This Resolution expires on August 7, 2003.

Adopted this 7th day of August 1998, by the Multistate Tax Commission.

W. Val Oveson
Chair

Dan R. Bucks
Executive Director