



REPORTING TO STATE TAX AUTHORITIES OF FEDERAL TAX EXAMINATION ADJUSTMENTS AND THEIR EFFECT ON STATE TAX LIABILITY

ISSUE

State and local reporting of federal income tax changes can impose a significant compliance burden on multijurisdictional companies, their tax representatives, and the tax administrators in the states in which they have nexus. There is no consistent method for reporting to state tax authorities federal tax examination adjustments and their effect on state tax liability. The states have not adopted a uniform notification period for reporting federal adjustments.

IMPORTANCE TO CPAs

CPAs interact with the state and local tax authorities on behalf of their clients. CPAs assist clients with federal, state, and local tax compliance and planning, including reporting federal audit changes to states. For example, CPAs analyze and address the potential impact of federal audit adjustments, including state reporting requirements (i.e., filing amended returns), the impact of audit adjustments across various states (i.e., calculation of state taxable income), and the potential impact with tiered partnership structures as well. Failure to timely notify the state of the federal adjustments can result in lost refund opportunities, tolling of the statute of limitations, and the imposition of penalties and interest.

It is best to develop sound tax and administrative processes and policies, including the rules for reporting federal audit changes to the states. The goal is to have fair, reasonable, and administrable state audit and reporting rules that minimize the complexities and burdens for taxpayers, CPAs, and the state tax authorities. CPAs are interested in working with the state tax authorities and state legislatures as each state develops and modifies its audit rules and considers revising its rules applicable to reporting federal audit changes. This issue is especially relevant due to the likelihood that states will consider changes related to the reporting of federal audit adjustments to accommodate the new federal partnership audit regime.

AICPA POSITION

The AICPA encourages state CPA societies to work with policymakers for fair, reasonable, and administrable rules that minimize the complexities and burdens to taxpayers and state tax authorities alike.

The AICPA supports the positions in the Tax Executives Institute (TEI) and Council On State Taxation (COST) policy statements.¹ As COST states, fair and efficient state procedures for reporting federal tax changes should include:

1. A clear definition of what constitutes a “final determination” that triggers a reporting requirement;
2. A minimum period of at least 180 days (or six months) to report such changes to the state;
3. To prevent the imposition of interest, the ability to make advanced payments before there is a “final determination” that triggers the filing responsibility for an amended return or report; and
4. Limiting the issues open for adjustment to those items that are altered as a result of the federal change (after the normal statute of limitations has expired).

The AICPA also joins TEI in supporting states’ adoption of uniform procedures to report federal income tax changes. The burden of complying with the many different state rules to report the same information in different formats to different states is inefficient and costly for all parties.

The AICPA recommends states adopt the following guidelines and procedures to provide taxpayers with certainty and consistency:

1. States should allow taxpayers 180 days to report federal income tax changes to state tax authorities (and to report state changes to municipal tax authorities).
2. This 180-day period should commence upon the later of:
 - a. The taxpayer’s execution of federal Form 870, or its equivalent, agreeing to the final and complete disposition of all deficiencies or overassessments. If the agreement is subject to final approval by the IRS (or Joint Committee on Taxation or U.S. Department of Justice, as appropriate), the state should deem the agreement final when the taxpayer receives a copy of the agreement executed by the government. If the Form 870 does not resolve all issues raised during the examination, the state should consider the Form 870 a “partial Form 870” that does not trigger the 180-day period.
 - b. The expiration of the statutory time period to petition the U.S. Tax Court for a redetermination of the Notice of Deficiency.
 - c. The execution of a signed closing agreement between the taxpayer and the IRS pursuant to section 7121 of the Internal Revenue Code (IRC)², which results in a final determination

¹ TEI issued a State and Local Tax [Policy Statement](#) on Reporting Federal Income Tax Changes, adopted November 17, 2015. COST adopted a [position paper](#) on state reporting requirements of federal tax changes.

² All references herein to “section” or “§” are to the Internal Revenue Code of 1986 (Code), as amended, or the Treasury Regulations promulgated thereunder.

of all items in a completed federal audit. (States should not trigger the 180-day period for closing agreements resolving only specific issues in an ongoing federal audit.)

- d. A final, nonappealable decision of the U.S. Tax Court, U.S. District Court, U.S. Court of Appeals, or U.S. Federal Claims; a decision of the Supreme Court of the United States; or those courts' approval of a stipulation disposing of the case.
 - e. Filing an amended federal income tax return that changes state taxable income or state tax attributes.
3. States should adopt or accept a uniform form or forms similar to the form used for federal amended tax returns (i.e., [Form 1040X](#), Amended U.S. Individual Income Tax Return, [Form 1120X](#), Amended U.S. Corporation Income Tax Return, etc.) to report federal income tax changes to a State Department of Revenue. A sample model return for reporting such changes is attached in Appendix A. The model form would need state-specific components because state income tax systems are different. However, having a common starting point for taxpayers to begin their reporting of federal adjustments to the states would help ease the compliance burden that exists due to the lack of any common standards among the states.
 4. To help reduce the ambiguities in various state statutes and to alleviate the burden of evaluating the various state requirements for reporting federal changes, the AICPA suggests that the states also consider the following recommendations:
 - a. States should provide an automatic extension of the statute of limitations for a minimum one-year period for assessments and filing refund claims, commencing on the date the federal change is reported. States should base the date the federal change is reported on the postmark date of the report of changes submitted to the state. States should limit the extension of the statute of limitations to those changes arising directly from the federal adjustment.
 - b. As it relates to changes in tax liability, states should consider implementing a standard minimum threshold before the filing of an amended return is required. This threshold would eliminate the administrative burden and expense of filing an amended return for both the taxpayer and the state in situations where the state adjustment is minimal.
 - c. In addition to considering a standard minimum threshold, where the only change to the federal return relates to an increase or reduction in net operating loss (NOL), states should only require the filing of an amended return in the tax year(s) in which there is a tax effect. Florida is an example of a state that currently addresses this issue ([Rule 12C-1.023 F.A.C.](#)).³
 - d. Further related to changes in tax liability, states should allow taxpayers the right to offset state tax liability changes resulting from federal audit adjustments against other adjustments to state

³ See [Florida Rule 12C-1.023 F.A.C.](#), available at <https://www.flrules.org/gateway/ruleno.asp?id=12C-1.023>, items (3) and (4) regarding when amended return filings are required if there is only a change to an NOL.

items unrelated to the federal audit (e.g., correcting the calculation of a state credit claimed or where applicable, state NOL for the same year or years covered by the federal audit necessitating the amended state filing).

- e. States should allow taxpayers to file the simplified forms via a paper return without regard to the means required for originally filed returns (i.e., states should not require mandatory electronic filing for amended returns). The most efficient and accurate preparation of required amended returns as a result of the issuance of a Revenue Agent's Report (RAR) is often accomplished by filing a paper return or report with workpapers attached.
5. As an overarching recommendation, the AICPA supports and suggests that states adopt the draft updated proposed [Model Uniform \(RAR\) Statute for Reporting Adjustments to Federal Taxable Income](#) that was [submitted](#) by the multi-organization task force to the MTC at its December 14, 2016 meeting (See Appendix B).

BACKGROUND

An Internal Revenue Service (IRS) audit is often a lengthy and expensive process for the taxpayer involved. After the IRS audit concludes and adjustments to the taxpayer's federal return are agreed to or determined, the taxpayer faces challenges in communicating these changes to the various states.

As illustrated in the attached Appendix C, of those states requiring that taxpayers report federal adjustments to the state, sixteen do not specify the form that the report should take, twelve require the taxpayer to file an amended state return, and several others suggest (but do not require) using an amended return as the reporting mechanism. Thus, for a taxpayer doing business in multiple states, a single change to the taxpayer's federal return can require filing many different types of amended state tax returns or forms with different state tax departments. Even if states used the same form in all jurisdictions requiring a written notice, the taxpayer must comply with many different due dates. Time periods for reporting the adjustments to the states range from thirty days to two years. One state has no specific deadline but requires that the taxpayer report "immediately" after the federal change.

Generally, the states have statutes providing that when a federal change is reported to the state tax authorities, the state is automatically granted additional time to make adjustments to the taxpayer's state return. The time period used by these states varies from ninety days to five years. In some states, the report of a federal change may not extend the time for a refund claim, even though it extends the time for a state assessment, producing an inequitable result. The disparity among the states in extending the statute of limitations for purposes of the federal change or a general extension of time for assessment of all tax return items further compounds the problem.

Of particular concern are the differences among the states in determining what constitutes a "federal change." For example, one state requires a report when an IRS audit is started. In other states, the signing of a federal Form 870 or similar form agreeing to federal adjustments triggers the reporting requirement. Under the laws of many states, it is not clear what period is used in

determining a federal change for purposes of tolling the period for reporting the change to the state. For instance, states could use the issuance of the RAR, the completion of the administrative appeals process, the expiration of the time for challenging a Notice of Deficiency in the U.S. Tax Court, or the completion of the judicial appeals process as the event that triggers required state filings.

A single change to a taxpayer's federal tax return can trigger different reporting requirements and deadlines among the states. Because states may extend the statute of limitations on assessments for up to five years after the reported adjustment, states could subject taxpayers to several years of uncertainty before the taxpayer's state tax liability is finally settled. Also, since the taxes paid to any one state can potentially impact the calculation of taxable income or credits in other states, the ultimate effect of a single federal change may result in many state and federal tax adjustments covering a number of years. Uniform state laws for reporting federal changes would help mitigate the uncertainty and administrative complexity of the current system for the benefit of taxpayers and the states.

RECENT STATE ACTIVITY

In June 1995, the AICPA issued a [Report of Corporate State Tax Administrative Uniformity](#).⁴ In 2003, the Multistate Tax Commission (MTC) worked with the AICPA on this issue and developed a Model RAR Statute that was adopted on August 1, 2003.⁵

COST adopted a [position paper](#) on state reporting requirements of federal tax changes. On February 6, 2017, COST discussed the need for updated RAR rules and an updated RAR Model Statute in a recent paper, [New Federal Partnership Audit Procedures – Issues to Consider and When to Act](#), submitted and presented to the [California Sacramento Delegation Project](#).

TEI also issued a State and Local Tax [Policy Statement](#) on Reporting Federal Income Tax Changes, adopted November 17, 2015.

On December 14, 2016, the [MTC Uniformity Committee](#) considered the issue of uniformity of state RAR rules and [updating its proposed Model RAR Statute](#). At that meeting, members of a joint multi-organization task force on state partnership audits, including the AICPA State Partnership Audits Task Force, American Bar Association State and Local Tax Committee (ABA SALT Committee), COST, and TEI, encouraged the MTC Uniformity Committee to pursue updating the RAR rules and their Model RAR Statute. The MTC Uniformity Committee decided at that meeting to further discuss updating the RAR rules and Model RAR Statute at its next meeting in March 2017. The AICPA and the multi-organization task force plan to continue discussions with the MTC on the partnership audits and RAR issue in 2017. (See Appendix B for further details on the draft updated proposed Model RAR Statute.)

See a [chart of the current state rules](#) in Appendix C regarding deadlines for reporting a federal change or adjustment by a corporation and any required attachments. The chart is posted on the

⁴ Available at <http://www.aicpa.org/Advocacy/Tax/DownloadableDocuments/Final-June-1995-Purple-Book.pdf>.

⁵ See the [MTC Model Uniform Statute for Reporting Federal Tax Adjustments with Accompanying Model Regulation](#), Adopted August 1, 2003.

MTC website for the current MTC project that the MTC has undertaken with respect to the state implications of the new federal partnership audit provisions. Given that greater state uniformity is a prime goal of this MTC project, it is important at this time to modify and make consistent the rules for reporting federal audit changes to the states. Over the next year, many states are likely to consider changing their partnership audit rules, and in this process, are likely to consider changes to all of their audit reporting rules. The AICPA also has developed a position paper on state conformity to the federal partnership audit rules.

AICPA STAFF CONTACTS

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Appendix A – Sample Federal RAR Reporting Form

Taxpayer name _____

Taxpayer address _____

Federal ID number _____

Type of return being amended:

- 1120
- 1120S 1040
- 1041
- 1060
- 990
- Other _____

For calendar year _____ or fiscal year ended _____

- The federal RAR covers
- this entity/person only
 - federal consolidated group
 - both spouses filing a joint tax return
 - other _____

- This form includes
- this entity/person only
 - all entities in the federal consolidated group
 - other combination of entities
 - both spouses filing a joint return
 - other _____

		Column A As originally reported or adjusted	Column B Net change	Column C Corrected amount
	TAX COMPUTATION			
1	Tax on net income (see Schedule A, line 7)			
2	Other taxes [if any]			
3	Total tax before credits (line 1+2) [or greater of line 1 or 2]			
4	Credits			
5	Total tax after credits (line 3-4)			
	PAYMENTS			
6	Overpayment from prior year			
7	Estimated tax payments			

8	Paid with extension			
9	Tax paid with original return			
10	Taxes paid after filing of original return			
11	Total payments (total of lines 6 through 10)			
12	Overpayment on original return (or as last adjusted)			
13	Net payments to date (line 11-12)			
	REFUND OR TAX DUE			
14	Refund (If line 5<13, line 5-13)			
15	Tax due (If line 5>13, line 13-5)			
16	Interest			
17	Balance (line 15+16)			

Certification/declaration (I certify/declare that this form and any attachments are correct and complete to the best of my knowledge.)

Signature of corporate officer if corporation (including title and date)

Signature of paid preparer (including title, PTIN, state tax preparer ID number, and date)

Firm's name, address, telephone number

Make check payable to [insert payee]

Mail to [insert address]

SCHEDULE A – APPORTIONMENT COMPUTATION

		Column A As originally reported or adjusted	Column B Net change	Column C Corrected amount
1	Net apportionable income			
2	Apportionment factor			
3	State net apportioned income (line 1 x 2)			
4	Income specifically allocated to the state			
5	Other additions or subtractions			
6	Income subject to tax (line 3+4+5)			
7	Tax on net income			

SCHEDULE B – OTHER TAXES [AS NEEDED]

		Column A As originally reported or adjusted	Column B Net change	Column C Corrected amount
1	Other taxes [e.g., net-worth based taxes that are included in the computation]			
2	Apportionment factor			
3	Apportioned tax			

SCHEDULE C – OTHER COMPUTATIONS [AS NEEDED]

		Column A As originally reported or adjusted	Column B Net change	Column C Corrected amount

SCHEDULE D -- EXPLANATION OF CHANGES

Show any computation in detail. Attach additional schedules if necessary.

Schedule/ Line #	Explanation

**Federal RAR Reporting Form
Instructions**

When to use this form

Use this form to report changes to income [franchise] states that are required as a result of an IRS agent’s RAR (Revenue Agent’s Report).

When to file

The taxpayer must file this form within 180 days of the final determination by the IRS.

Attachments

The taxpayer must attach a copy of the federal final determination to this form.

Taxpayer information section

Enter the taxpayer name, address, federal ID number, type of return that is amended, and the income years covered by this form in the spaces provided.

Check the appropriate box for type of return included in the federal RAR.

Check the appropriate box for the entities/persons included in this return.

Refer to the instructions for the state corporate income tax return and related schedules and forms for the year you are amending for more information relating to the computation of apportionable net income, apportionment methodology, taxable net income computation, tax credits, or other state specific items. For additional information, please contact [taxpayer services and assistance telephone number].

Signature

Either the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other duly authorized officer (if a corporation) must sign this form.

Anyone paid to prepare the form must sign. The practitioner must enter the practitioner's federal PTIN, state tax preparer number (if applicable), name, address, and telephone number in the spaces provided.

Specific instructions

Lines 1-8, Column A Enter the amounts as shown on your original return or as adjusted by any prior audit or amended return

Lines 1-8, Column B Enter the amount(s) of any change(s) and explain the change(s) on Schedule D -- Explanation of Changes. The amounts entered in Column B should be the net increase or net decrease for each line that has been changed.

Lines 1-8, Column C Add the increase reported in Column B to the amount in Column A; or subtract the decrease reported in Column B from the amount in Column A. Enter the results here. If Column B has no entries, enter the amount from Column A in Column C.

Line 2 Other taxes [if any – enter state specific instructions here].

Line 9 Enter the amount of tax paid with the original return.

- Line 10 Enter the amount of any tax paid after the filing of the original return.
- Line 12 Enter the amount of any overpayment reported on the original return or as last adjusted.
- Line 16 Enter the amount of interest due. Interest is computed on the underpayment of tax from the statutory due date to the date of payment. (Refer to “Interest Rates” section of instructions.) Do not include the penalty with your remittance. If a penalty is due, the [Department of Revenue] will calculate the amount of penalty due and issue a bill to the corporation.

Schedule A – Apportionment Computation

- Lines 1-7, Column A Enter the amounts as shown on your original return or as last adjusted.
- Lines 1-7, Column B Enter the amount(s) of any change(s) and explain the change(s) on Schedule D – Explanation of Changes. The amounts entered in Column B are the net increase or net decrease for each line that has been changed.
- Lines 1-7, Column C Add the increase reported in Column B to the amount in Column A; or subtract the decrease reported in Column B from the amount in Column A. Enter the results in Column C. If Column B has no entries, enter the amount from Column A in Column C.
- Line 1 The term “net apportionable income” includes all income that is apportionable to the state as reported on [insert state specific instructions for determining net apportionable income. This is adjusted to reflect state terminology such as “business income.”].
- Line 2 [Insert state specific instructions for apportionment factors, if any].
- Line 4 The term “income specifically allocated to the state” includes income that is not apportioned, but which is 100% taxable in the state. [Include state specific instructions for allocated income. This term is adjusted to reflect state terminology such as “nonbusiness income.”]
- Line 5 [Insert state specific instructions. This may include net operating losses or other post-apportionment addition or subtraction modifications.]
- Line 7 Multiply taxable income by the appropriate tax rates. (See schedule below.) Enter amount on this line and on Line 1 of the main part of this form.

Schedule B – Other Taxes [as needed]

- Lines 1-3, Column A Enter the amounts as shown on your original return or as last adjusted.

Lines 1-3, Column B Enter the amount(s) of any change(s) and explain the change(s) on Schedule D – Explanation of Changes. The amounts entered in Column B are the net increase or net decrease for each line that has been changed.

Lines 1-3, Column C Add the increase reported in Column B to the amount in Column A; or subtract the decrease reported in Column B from the amount in Column A. Enter the results in Column C. If Column B has no entries, enter the amount from Column A in Column C.

Schedule C [as needed]

[Insert state specific instructions here.]

Schedule D – Explanation of Changes

Explain in detail the nature of the adjustments and attach appropriate supporting forms and schedules.

Tax Rates [Insert applicable state rates and information in the table below.]

Tax Years Beginning on or after	But before	Rate	Income Base	Other Base [as needed]	Minimum [as needed]

Interest

Interest rates on tax underpayments:

Period	Interest Rate

TEI's Model Return for corporations/business entities reporting to states the federal audit changes.
 *****ENTER DATA IN SHADED CELLS ONLY. NONSHADED CELLS ARE FORMULA DRIVEN*****

Name of Taxpayer
FEIN
Federal RAR Signed
Amended Return Due Date

Jurisdiction

For Tax Period Ended xx/xx/xx			
	Last Reported	Fed RAR	State Amended
Federal Taxable Income of Filing Entity or Entities for State Purposes	0	0	0
<u>Additions:</u>			
Federal NOL Deduction	0	0	0
State and Local Interest	0	0	0
Depreciation	0	0	0
State and Local Taxes	0	0	0
Foreign Taxes	0	0	0
Related Party Expenses	0	0	0
Other	0	0	0
Other	0	0	0
Total Additions	0	0	0
<u>Subtractions:</u>			
Foreign Dividends	0	0	0
Subpart F Income	0	0	0
Foreign Dividend Gross-up	0	0	0
Foreign Source Income	0	0	0
Depreciation	0	0	0
US Treasury Interest	0	0	0
State and Local Tax Refunds	0	0	0
Other	0	0	0
Other	0	0	0
Total Subtractions	0	0	0
Modified Federal Taxable Income	0	0	0
Net Nonbusiness Income/(Loss) - Total	0	0	0
Apportionable Income	0	0	0
Apportionment Factor	0.0000%	0.0000%	0.0000%
State Apportioned Income	0	0	0
Net Nonbusiness Income/(Loss) - State	0	0	0
Total Income Before NOL	0	0	0
State NOL Deduction (enter as positive)	0	0	0
State Income Subject to Tax	0	0	0
State Tax Rate	0.00%	0.00%	0.00%
State Tax Before Credits	0	-	0
Minimum Tax (if applicable)	0	0	0
State Tax	0	0	0
State Credits (enter as positive)	0	0	0
Income Tax After Credits	0	0	0
Additional Tax Due/(Refund)	0	0	0

Appendix B

Joint Request from COST, TEI, the ABA SALT Committee, and the AICPA to Update the MTC's Model Uniform Statute for Reporting Adjustments to Federal Taxable Income

and

Draft Updated Proposed Model Uniform Statute for Reporting Adjustments to Federal Taxable Income

Mr. Wood Miller
Chair, Uniformity Committee

Ms. Holly Coon
Vice-Chair, Uniformity Committee

Multistate Tax Commission Multistate Tax Commission
Via E-Mail

Submitted 12/12/16 to the MTC Uniformity Committee for Initial Consideration at its 12/14/2016 Meeting (with minor edits)

Re: Joint Request from COST, TEI, the ABA SALT Committee, and the AICPA to Update the MTC's Model Uniform Statute for Reporting Adjustments to Federal Taxable Income

Dear Mr. Miller and Ms. Coon:

On behalf of the Council On State Taxation (COST), Tax Executives Institute (TEI), the State and Local Tax Committee of the American Bar Association's Section of Taxation (ABA), and the American Institute of Certified Public Accountants (AICPA) (the "Working Group") **, we submit a draft Model Uniform Statute for Reporting Adjustments to Federal Taxable Income for discussion purposes.

Earlier this year (in 2016), the Working Group came together to consider the effects that changes to the federal partnership audit procedures, enacted in November 2015 as part of the Bipartisan Budget Act of 2015 (H.R. 1314), will have on state and local taxation. During our group's discussions, it became clear that state and local taxing jurisdictions will be required to substantially amend their statutes for reporting federal audit adjustments when addressing the new federal partnership audit rules.

Although the Multistate Tax Commission (MTC) adopted a model statute for reporting federal audit adjustments in 2003, states and localities have not adopted that model widely, and state and local reporting of federal income tax adjustment statutes continue to vary significantly. For example, state and local reporting statutes do not provide a uniform time period, use consistent triggers, or provide taxpayers with a streamlined method for reporting federal audit adjustments. In addition, jurisdictions vary widely as to whether adjustments must be reported when each

federal change becomes final or when all federal changes for the tax year become final; as to whether assessments and refunds are limited to effects arising directly from the federal changes; and, as to whether a report of federal changes will be considered a claim for refund. These variations make the reporting of federal audit changes to states cumbersome and often impractical within the prescribed reporting periods, leading to non-compliance.

Our Working Group has participated in each of the MTC's Partnership Work Group conference calls and met with MTC officials to address how state and local taxing jurisdictions should incorporate the changes to the federal partnership audit rules. We believe that the need to revise state and local federal audit reporting statutes to incorporate the new federal partnership rules provides a unique opportunity for the states to replace their current reporting of federal income tax adjustments statutes with a uniform reporting statute. We request that the MTC Uniformity Committee expand the scope of the Partnership Work Group to update the MTC's Model Uniform Statute for Reporting Adjustments to Federal Taxable Income to ensure that the MTC's model statute is workable for both taxpayers and states and localities. Our Working Group has collaborated to incorporate several changes designed to meet this objective, and we respectfully submit it to the MTC for discussion purposes.

The attached draft model statute retains the 180 day reporting period but proposes the following changes to the current MTC model statute:

- Creates a separate section for definitions, some of which are state-specific, such as the reference to the "Internal Revenue Code" as being in effect on a certain date rather than as in effect from time to time;
- Revises the definition of "final determination" to result in a more comprehensive solution and to incorporate concepts from the Internal Revenue Code and underlying regulations;
- Contemplates the MTC's adoption of a model streamlined form to report federal audit adjustments, in lieu of requiring taxpayers to file amended state returns for each year under audit;
- Clarifies that the filing of the report of federal audit changes will also constitute a claim for refund, regardless of whether an amended state return is filed;
- Clarifies that any subsequent state assessment or refund must arise directly from the federal changes, unless the state's normal statute of limitations remains open;
- Adds an optional *de minimis* exception whereby taxpayers may notify the state of adjustments to taxable income resulting in an assessment or refund of less than \$250 in tax without requiring a report of those changes (while providing states the option to request such a report);
- Adds a statute of limitations to address instances where the taxpayer failed to file a report of federal changes;
- Adds an estimated tax provision that allows taxpayers to pay estimated state taxes and toll interest prior to filing a report of federal adjustments in anticipation of a potential state tax liability and to

obtain a refund of any differential if the payments proved to be greater than the final state tax liability; and

- Clarifies that the effective date of these statutory changes are prospective, and logically, based on the date of the final determination.

The Working Group believes that the proposed changes are important for fair and efficient state tax administration and that the adoption of these provisions would significantly benefit both taxpayers as well as state and local taxing jurisdictions. We therefore encourage the MTC to evaluate the Working Group's proposed changes to the MTC's model while awaiting technical corrections to the federal partnership audit rule statutes and issuance of Treasury regulations. This will enable the MTC to move forward quickly once the federal partnership audit rules become effective.

In addition to the attached model statute, we have included the following for your review and consideration:

- A proposed model report of federal audit changes developed by TEI's State and Local Tax Committee, which is similar to the report the South Carolina DOR circulated in its November 14, 2016 request for public comments;
- A copy of COST's policy statement on reporting requirements for federal audit changes;
- A copy of TEI's policy statement on reporting requirements for federal audit changes;
- Recent Bloomberg BNA survey of the states, illustrating the tremendous lack of uniformity of current state reporting of federal income tax adjustment statutes.

We thank you for your time and consideration. Please let us know if you have any questions or concerns.

Respectfully submitted,
Nikki Dobay Pilar Mata
West Coast Counsel Tax Counsel
Council On State Taxation Tax Executives Institute

cc: Ms. Helen Hecht/Mr. Bruce Fort cc: COST Board of Directors cc: Messrs. Bruce Ely and William Thistle cc: Mr. Jonathan Horn/Ms. Eileen Sherr

** The attached Model Uniform Statute for Reporting Adjustments to Federal Taxable Income is for discussion purposes only and has not yet been officially endorsed by COST, TEI, the ABA, or AICPA. Any organization may propose changes of its own during the approval process, which is now under way. In addition, (in February 2017), the AICPA has updated its 1995 policy statement.

**Draft Updated Proposed Model Uniform Statute
for Reporting Adjustments to Federal Taxable Income**

Draft Submitted to the MTC Uniformity Committee for Initial Consideration at its 12/14/2016 Meeting
*

SECTION A. Definitions

The following definitions shall apply for the purposes of [this subdivision of the State Code]:

(1) “Final determination” shall mean and be deemed to occur when the last of any of the following events has occurred with respect to a taxpayer’s federal taxable year, except for entities filing unitary or other types of combined or consolidated returns with the [State Agency], “final determination” shall be based upon the occurrence of the last of such events for all members of the group:

(a) The taxpayer: (i) has final adjustments to its federal taxable income resulting from an examination by the IRS pursuant to Section 7601 of the IRC, including any requisite review by the Joint Committee on Taxation pursuant to Section 6405 of the IRC; and (ii) has not filed a petition for redetermination with the United States Tax Court pursuant to Sections 6213 or 6226 of the IRC or a claim for refund with a district court or the United States Court of Federal Claims pursuant to Sections 6226 or 7422 of the IRC, and the time for the taxpayer to timely file such a petition for redetermination or such a claim for refund has lapsed under the applicable statute;

(b) The taxpayer and the IRS have executed the forms necessary for the relevant tax period so as to establish finality under Section 7121(b) the IRC;

(c) The time for the IRS to make an assessment for the relevant tax period has expired pursuant to Section 6501 of the IRC; or

(d) A judgment from a United States court, or any other court of original jurisdiction to which the United States has submitted to personal jurisdiction regarding a taxpayer’s tax issues, has become final under Section 2412(d)(2)(G) of Title 28 of the United States Code.

(2) “Report of federal adjustments” shall mean (1) an amended [State] tax return, (2) the Multistate Tax Commission’s model report of federal adjustments**, or (3) any other method authorized by the [State Agency]. The report of federal adjustments shall contain information reasonably necessary to provide the [State Agency] with an understanding of the adjustments to the taxpayer’s federal taxable income and their impact on the taxpayer’s [State] tax liability. The report of federal adjustments shall serve as the taxpayer’s means to report additional [State] tax due, report a claim for refund or credit of [State] tax, and make other adjustments (including net operating losses) as a result of the taxpayer’s federal taxable income.

(3) “Taxpayer” shall mean [insert State definition].

(4) “[State] tax” shall mean the [applicable State (or local) tax levied at XXX of the State Code].

(5) “IRC” shall mean the Internal Revenue Code of 1986, as codified at 26 United States Code (U.S.C.) Section 1, *et seq.*, [insert state’s current practice to incorporate IRC]

(6) “IRS” shall mean the Internal Revenue Service of the U.S. Department of the Treasury.

SECTION B. Reporting of IRS Adjustments to Federal Taxable Income

A taxpayer shall notify the [State Agency] of adjustments by the IRS to its federal taxable income as follows:

(1) Except as provided in subsection (2), a taxpayer whose federal taxable income has been adjusted shall file a report of federal adjustments with the [State Agency] within one hundred eighty (180) days following the date of the final determination.

(2) In the event the adjustments to the taxpayer’s federal taxable income result in a [State] tax liability of less than \$250 (excluding penalties and interest) or a refund of less than \$250 (excluding interest), the taxpayer may, in lieu of filing a report of federal adjustments, notify the [State Agency] in writing or on a form prescribed by the [State Agency] that the federal adjustments are *de minimis*. The taxpayer shall provide the [State Agency] with such notice within one hundred eighty (180) days following the date of the final determination. The taxpayer’s notice shall contain information reasonably necessary to provide the [State Agency] with an understanding of the federal changes and their impact on the taxpayer’s [State] tax liability.

(a) In the event the taxpayer provides the [State Agency] with notice that the adjustments are *de minimis* pursuant to Section B(2), the [State Agency] may request, in writing, that the taxpayer file a report of federal adjustments pursuant to Section B(1). The [State Agency] shall issue that request to the taxpayer within the later of: (i) one hundred eighty (180) days following the date on which the taxpayer provided such notice, or (ii) the expiration of the limitations period specified in [citation to State statute setting forth normal limitations period].

(b) In the event the [State Agency] requests a report of federal adjustments within the time prescribed in Section B(2)(a), the taxpayer shall have one hundred eighty (180) days from the date the [State Agency’s] request is postmarked in which to file a report of federal adjustments.

(c) *[Option 1]* If the [State Agency] does not request that the taxpayer file a report of federal adjustment within the time prescribed in Section B(2)(a), the taxpayer’s notice that the adjustments are *de minimis* will be deemed accepted by the [State Agency]. *[Option 2]* If the [State Agency] does not request that the taxpayer file a report of

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federal adjustments within the time prescribed in Section B(2)(a), the taxpayer's notice that the adjustments are *de minimis* will be deemed accepted and the [State Agency] may assess and bill the taxpayer the fixed sum of \$250 if the taxpayer reported that it would have owed the State a *de minimis* [State] tax liability.

(d) Absent fraud, the taxpayer shall not be subject to additional assessment nor allowed to file a claim for refund or credit of [State] taxes pursuant to [citation to State statute setting forth claim for refund requirements] based on adjustments to the taxpayer's federal taxable income unless the statute of limitations for issuing assessments of [State] tax, interest, and penalties has not expired.

SECTION C. Assessments of Additional [State] Tax, Interest, and Penalties Arising from Adjustments to Federal Taxable Income.

The [State Agency] shall be required to issue any assessment of additional [State] tax, interest, and penalties arising directly from IRS adjustments to a taxpayer's federal taxable income as follows:

(1) If the taxpayer files a report of federal adjustments within the period specified in Section B, the [State Agency] may assess any additional [State] tax, interest, and penalties arising directly from the adjustments to the taxpayer's federal taxable income and issue a notice of assessment to the taxpayer within the later of:

(a) The expiration of the limitations period specified in [citation to State statute setting forth normal limitations period]; or

(b) The expiration of the one (1) year period following the date of filing of the report of federal adjustments.

(2) If the taxpayer fails to file the report of federal adjustments within the period specified in Section B, the [State Agency] may assess any additional [State] tax, interest, and penalties arising directly from the adjustments to federal taxable income and issue a notice of assessment to the taxpayer within the later of:

(a) The expiration of the limitations period specified in [citation to State statute setting forth normal limitations period];

(b) The expiration of the one (1) year period following the date of filing of the report of federal adjustments;

(c) The expiration of the one (1) year period following the date on which the Internal Revenue Service, another state, or an organization representing and/or conducting audits for the states' tax agencies, notifies the [State Agency], in writing or by electronic means, that a final determination has been made with respect to the taxpayer's federal taxable income for a specified tax year; or

(d) Absent fraud, the expiration of the six (6) year period following the date of the final determination.

SECTION D. Estimated [State] Tax Payments During Federal Audit.

A taxpayer may make estimated payments to the [State Agency] of the [State] tax that it determines may ultimately be owed to [State] as a result of a pending IRS audit, prior to a final determination for a tax year, without filing a report of federal adjustments with the [State Agency]. The estimated [State] tax payments shall be credited against any tax liability ultimately found to be due to [State] (“final tax liability”) and limit the accrual of further statutory interest on that amount. If the estimated [State] tax payments exceed the final [State] tax liability and statutory interest ultimately determined to be due on that amount, or the IRS ultimately does not make any adjustments to the taxpayer’s federal taxable income, the taxpayer shall be entitled to a refund or credit for the excess, provided the taxpayer files a report of federal adjustments or claim for refund or credit of [State] tax pursuant to [citation to State statute setting forth claim for refund requirements] within one (1) year following the final determination date.

SECTION E. Claims for Refund or Credits of [State] Tax Arising from Federal Adjustments.

A taxpayer may file a claim for refund or credit of [State] tax arising directly from federal adjustments based on the later date of: (1) [citation to State statute setting forth claim for refund requirements], including any extensions; or (2) one (1) year from the due date of report of federal adjustments prescribed in Section B, including any extensions pursuant to Section F.

SECTION F. Scope of Adjustments and Extensions of Time.

(1) Unless otherwise agreed to by the taxpayer and the [State Agency], any adjustments by the [State Agency] or by the taxpayer made after the expiration of the [State’s normal statute of limitations for assessment and refund] shall be limited to changes to the taxpayer’s [State] tax liability arising directly from adjustments to the taxpayer’s federal taxable income for that tax year.

(2) The time periods provided for in [this subdivision of the State Code] may be extended, in writing, by agreement between the taxpayer and the [State Agency]. Any extension granted for filing the report of federal adjustments shall extend the last day prescribed by law for assessing any additional [State] tax arising directly from the adjustments to federal taxable income and the period for filing a claim for refund or credit of [State] taxes pursuant to [citation to State statute setting forth claim for refund requirements] arising directly from adjustments to the taxpayer’s federal taxable income.

SECTION G. Effective Date

The amendments to this [section/chapter] apply to final determinations made on and after X [date].

**Prepared by a working group consisting of representatives of the Council On State Taxation (COST), Tax Executives Institute (TEI), the ABA Section of Taxation’s SALT Committee, and the AICPA. As of this date, this draft has not been officially endorsed by these organizations.*

***See attached cover letter to the Uniformity Committee explaining the background of this model report.*

Appendix C

State RAR Rules – (Posted on [MTC website](#)) State Tax Smart Charts

Business Income Tax > Amended or Audited Returns > Amended Returns > Deadline for Reporting Federal Changes > **C Corporations**

The following chart indicates the deadline for reporting a federal change or adjustment by a C Corporation, as well as, any attachments that the corporation must file. The information in this chart is as of August 8, 2016.

Jurisdiction	C Corporations	Comment	Citation
Alabama	No deadline specified.	Attach RAR or any other itemized explanation of federal changes furnished by the IRS.	Ala. Admin. Code r. 810-3-40-.01(4)
Alaska	File amended return within 60 days after final determination of federal adjustment.	Attach all documents related to the change, including RAR. We recommend you reference cited authority for more information.	Alaska Stat. §43.20.030(d) , Form 6000 Instructions, Corporation Net Income Tax Return
Arizona	Within 90 days after final determination of federal adjustment, either: <ul style="list-style-type: none"> • file amended return, or • file copy of final federal determination, concede accuracy or state errors, and request recomputation of tax by department. 	Provide sufficient information for the department to recompute Arizona taxable income based on the RAR changes.	Ariz. Rev. Stat. §43327 , Form 120 Instructions, Corporation Income Tax Return
Arkansas	File amended return within 180 days after receipt of notice and demand for payment from IRS.	Attach copy of federal amended return or IRS audit report. Prior to Oct. 1, 2015, amended return had to be filed within 90 days after receipt of notice and demand for payment from IRS. We recommend you reference cited authority for more information.	Ark. Code Ann. §26-18-306(b)(1) , Form AR1100CT Instructions, C Corporation Income Tax Return
California	File amended return or send a letter with copies of the federal changes within 6 months after final determination of federal change or filing amended federal return.	Attach copy of the final federal determination and all underlying data and schedules that explain or support the federal adjustments.	Cal. Rev. & Tax Code §18622 , Form 100X Instructions, Amended Corporation Franchise or Income Tax Return
Colorado	File amended return within 30 days after final determination of federal change or filing amended federal return.	Do not attach RAR to amended return. RAR showing federal return changes and state account number will be accepted for multistate	Colo. Rev. Stat. §3922-601(6) , Form 112 Instructions, C-Corporation Income Tax Return

		corporations in lieu of an amended return.	
Connecticut	File amended return within 90 days after final determination of federal change or filing federal amended return.	Attach IRS notification of changes or federal Form 1120X.	Conn. Gen. Stat. §12-226 , Form CT1120X Instructions, Amended Corporation Business Tax Return
Delaware	File amended return within 90 days after final determination of federal adjustment or filing amended federal return.	Attach copy of federal amended return.	Del. Code Ann. tit. 30, §514 , Form 1100 Instructions, Corporate Income Tax Return
District of Columbia	File amended return within 90 days after final determination of federal change or filing amended federal return.	Provide detailed statement explaining the adjustments.	D.C. Code Ann. §474301(f) , Form D-20 Instructions, Corporation Franchise Tax Return
Florida	File amended return within 60 days after final determination of federal adjustment or assessment, payment, or collection of tax, whichever occurs first.	Attach copy of amended federal return or other adjustment (such as an RAR).	Fla. Stat. ch. 220.23, Rule 12C-1.023
Georgia	File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal Form 1120X or federal audit adjustments.	Ga. Code Ann. §487-82(e)(1) , Form 600 Instructions, Corporation Tax Return
Hawaii	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of the document issued by the federal government changing the federal taxable income of the corporation.	Haw. Rev. Stat. §235-101(b) , Form N-30 Instructions, Corporation Income Tax Return
Idaho	File amended return within 60 days after final determination of federal adjustment.	Attach copies of all RARs and any other documents and schedules required to clarify the adjustments to taxable income.	Idaho Code §63-3069(1), IDAPA 35.01.01.890 , Form 41 Instructions, Corporation Income Tax Return

Illinois	File amended return within 120 days after federal changes are agreed to or finally determined (two years and 120 days if claiming a refund resulting from the change).	Attach copy of federal finalization or proof of acceptance from IRS along with copy of amended federal form plus any other related forms, schedules, or attachments, if applicable. Examples of federal finalization include copy of: <ul style="list-style-type: none"> • federal refund check; • signed and dated audit 	35 ILCS 5/506(b) , Form IL-1120-X Instructions, Amended Corporation Income and Replacement Tax Return
		report from the IRS, including copies of preliminary, revised, corrected, and superseding reports, if applicable; and/or <ul style="list-style-type: none"> • federal transcript verifying federal taxable income. 	
Indiana	File amended return within 180 days after the federal modification is made (120 days for modifications made before 2011).	Attach copy of amended federal return, RAR, audit report, and/or applicable federal waivers.	Ind. Code §6-3-4-6 , Ind. Admin. Code tit. 45, r. 3.1-1-94 , Form IT-20X Instructions, Amended Corporate Adjusted Gross Income Tax Return
Iowa	File amended return within 60 days of final disposition of federal audit.	Include amended federal return and copy of federal RAR, if applicable. Copy of federal RAR and notification of final federal adjustments provided by taxpayer will be acceptable in lieu of an amended return.	Iowa Admin. Code r. 701.52.3(422) , Iowa Code §421.27(2) , Form IA 1120X Instructions, Amended Corporation Income Tax Return
Kansas	File amended return within 180 days after the federal adjustment is paid, agreed to, or becomes final, whichever is earlier.	Attach copy of amended federal return, RAR, or adjustment letter with full explanation of changes made.	Kan. Stat. Ann. §793230(f) , Form K-120 Instructions, Corporate Income Tax Return
Kentucky	Department must be notified within 30 days of initiation of federal audit. File amended return within 30 days after conclusion of audit.	Submit copy of final federal determination with amended return.	Ky. Rev. Stat. Ann. §141.210(4) , Form 720 Instructions, Corporation Income Tax and LLET Return

Louisiana	File amended return within 180 days of the final determination of the federal adjustments.	Attach detailed explanation of changes and copy of federal amended return, if applicable.	La. Rev. Stat. Ann. §47:287.614(C) , Form CIFT-620 Instructions, Corporation Income and Franchise Tax Return
Maine	File amended return within 180 days after final determination of the federal change or correction or the filing of the federal amended return. Tax years before July 1, 2011: File amended return within 90 days after final determination of the federal change or correction or the filing of the federal amended return.	Attach copy of federal amended return or RAR. For returns reflecting federal net operating losses, attach copy of federal Form 1139.	Me. Rev. Stat. Ann. tit. 36, §5227-A(2) , Form 1120-ME Instructions, Corporate Income Tax Return
Maryland	File amended return within 90 days after final determination of federal	Attach copy of federal amended return or final	Md. Code Ann. §13409 , Form 500

	adjustment.	IRS adjustment report.	Instructions, Corporation Income Tax Return
Massachusetts	File amended return within three months after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	Mass. Gen. Laws ch. 62C, §30 , Mass. Regs. Code tit. 830, §62C.30.1(3) , Form CA-6 Instructions, Application for Abatement/Amended Return
Michigan	File amended return within 120 days after final determination of federal adjustment.	Attach copy of federal amended return or signed and dated IRS audit document.	Mich. Comp. Laws §206.687(2) , Mich. Comp. Laws §208.1507(2) , Mich. Comp. Laws §208.75(2) , Form 4567 Instructions, MBT Annual Return, Form 4891 Instructions, Corporate Income Tax Annual Return, Form 4892 Instructions, Corporate Income Tax Amended Return

Minnesota	File amended return, or mail letter to Department of Revenue detailing how the federal determination is incorrect or does not change the Minnesota tax, within 180 days after final determination of federal change or filing of federal amended return.	Attach copy of federal amended return or IRS audit report.	Minn. Stat. §289A.38(7) , Form M4 Instructions, Corporation Franchise Tax Return
Mississippi	File amended return within 30 days after agreeing to the federal change.	Attach copy of federal amended return or RAR. If the taxpayer files consolidated for federal purposes, a proforma amended federal return should be filed as well as the amended consolidated federal return.	Miss. Code. Ann. §27-7-51(4) , Corporate Income and Franchise Tax FAQs
Missouri	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, RAR, closing agreement, and/or applicable court decision. If federal return was not amended, explain why the state return is being amended.	Mo. Rev. Stat. §143.601 , Mo. Code. Regs. Ann. tit. 12, §10-2.105 , Form MO-1120 Instructions, Corporation Income Tax/Franchise Tax Return
Montana	File amended return within 90 days after notice of federal change or filing	Attach the applicable forms and statements	Mont. Code Ann. §15-31-506 , Mont.

	amended federal return.	explaining all adjustments in detail.	Admin. R. 42.23.303 , Form CIT, Corporate Income Tax Return
Nebraska	File amended return within 60 days after a correction or change to the federal return.	Attach copy of federal amended return, IRS report, or other document that substantiates the adjustments claimed.	Neb. Rev. Stat. §772775 , Reg. 24-046 , Form 1120N Instructions, Corporation Income Tax Return
Nevada	N/A, because state does not tax general business corporation income.		
New Hampshire	File amended return within 6 months after final determination of federal adjustment.	Attach copy of federal amended return or IRS adjustment report.	N.H. Rev. Stat. Ann. §77A:10 , N.H. Rev. Stat. Ann §77-E:9 , Report of Change General Instructions

New Jersey	File amended return within 90 days after final determination of federal change or filing amended federal return.		N.J. Stat. Ann. §54:10A-13 , Form CBT-100 Instructions, Corporation Business Tax Return
New Mexico	<p>Tax years before July 1, 2013: File amended return within 90 days after final determination of federal adjustment.</p> <p>Tax years after July 1, 2013: File amended return within 180 days after final determination of federal adjustment.</p>	Attach copy of federal amended return or RAR.	N.M. Stat. Ann. §7-113 , Form CIT-1 Instructions, Corporate Income and Franchise Tax Return
New York	File amended return within 90 days after final determination of federal change (120 days for taxpayers making a combined report) or filing amended federal return.	Attach copy of federal Form 4549, Income Tax Examination Changes. If the corporation filed as part of a consolidated group for federal tax purposes but on a separate basis for state tax purposes, submit a statement indicating the changes that would have been made if the corporation had filed on a separate basis for state tax purposes.	N.Y. Tax Law, §211(3) , N.Y. Comp. Code R. & Regs. tit. 21, §6-1.3 , N.Y. Comp. Code R. & Regs. tit. 21, §6-1.4 , Form CT-3, General Business Corporation Franchise Tax Return
North Carolina	File amended return within 6 months of notification of correction or final federal determination.	Include a complete explanation of reasons for filing an amended return, including specific schedule and line number references, on Schedule J of the return.	N.C. Gen. Stat. §105-130.20 , Form CD-405 Instructions, Corporation Tax Return

North Dakota	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, Form 1139, or RAR. If corporation is included in a consolidated federal return, attach copy of amended pro forma separate company federal return, pages 1-4 of amended consolidated federal return, and schedule of gross income and deductions by company that supports the amended consolidated taxable income.	N.D. Cent. Code §57-38-34.4, N.D. Admin. Code §81-03-01.1-09 , Form 40X Instructions, Amended Corporation Income Tax Return
Ohio	<p>Commercial Activity Tax (CAT): No deadline specified.</p> <p>Corporate Franchise Tax: File amended return within 1 year after earliest of:</p> <ul style="list-style-type: none"> • final determination of federal adjustment; • payment of additional tax as a result of federal adjustment; or • receipt of refund as a result of federal adjustment. 	<p>Commercial Activity Tax (CAT): Attach copy of federal amended return or RAR if refund requested.</p> <p>Corporate Franchise Tax: Attach copy of federal amended return or RAR.</p>	<p>Ohio Rev. Code Ann. §5733.031(C), Form FT 1120 Instructions, Corporation Franchise Tax Report, Unofficial Department Guidance</p>
Oklahoma	File amended return within 1 year after final determination of federal change.	Attach copy of federal Form 1120X or 1139 and proof of disposition by IRS or copy of RAR, when applicable.	<p>Okla. Stat. tit. 68, §2375, Okla. Admin. Code §710:50-38(a), Form 512 Instructions, Corporation Income Tax Return</p>
Oregon	File amended return within 90 days after federal change or filing amended federal return.	Attach copy of federal amended return or RAR.	<p>Or. Rev. Stat. §314.380(2), OAR 150-314.380(2)-(B), Form 20 Instructions, Corporation Excise Tax Return, Form 20-I Instructions, Corporation Income Tax Return</p>
Pennsylvania	File amended return within six months after receipt of final federal change or correction or filing amended federal return.	<p>Attach copy of federal amended return, statement of reasons for filing the amended return, and supporting forms or schedules.</p> <p>We recommend you reference cited authority for more information.</p>	<p>72 P.S. §7406(a), Form CT-1 PA, Corporation Tax Booklet, Form RCT-128C Instructions, Report of Change in Corporate Net Income Tax</p>

Rhode Island	File amended return within 60 days after receipt of final determination of	Attach copy of federal amended return or RAR.	R.I. Gen. Laws §4411-19 , Form RI-
	federal change.		1120X Instructions, Amended Business Corporation Tax Return
South Carolina	File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	S.C. Code Ann. §1254-85(D)(2) , Form SC 1120 Instructions, Corporation Income Tax Return, Corporate Income Tax FAQs
South Dakota	N/A, because state does not tax general business corporation income.		
Tennessee	No deadline specified.	Mail letter of explanation (Franchise and Excise Tax Federal Income Revision Form preferred) and supporting documentation (such as copies of federal amended return, signed RAR, and/or refund check) to Department of Revenue. A taxpayer that files a consolidated federal return should enclose a schedule detailing the changes that apply to the entity for which the revisions are being reported or a consolidated schedule reflecting all adjustments by entity.	Important Notice, Unofficial Department Guidance
Texas	File amended return within 120 days after final determination of federal adjustment or filing amended federal return.	Attach cover letter of explanation, with enclosures necessary to support the amendment.	Tex. Tax Code Ann. §171.212 , 34 Tex. Admin. Code §3.584(f)
Utah	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, IRS audit or adjustment report, or other explanation of changes.	Utah Code Ann. §59-7-519 , Form TC-20 Instructions, Corporation Franchise or Income Tax Return

Vermont	File amended return within 60 days after notice of federal change or filing federal amended return.	Attach copy of IRS report.	Vt. Stat. Ann. tit 32, §5866(a) , Form CO-411 Instructions, Corporation Income Tax Return
Virginia	File amended return within 1 year after final determination of federal change or filing federal amended return.	Attach copy of federal amended return, RAR, adjustment letter, or other form/statement showing the nature of	Va. Code. Ann. §58.1-311 , Form 500 Instructions, Corporation Income Tax Return
		any federal change and date it became final.	
Washington	N/A, because state does not tax general business corporation income.		
West Virginia	File amended return within 90 days after final determination of federal change or filing federal amended return.	Attach copy of RAR detailing adjustments.	W. Va. Code §11-2420, W. Va. Code St. R. §110-24-20 , Form WV/CNF-120, West Virginia Combined Corporation Net Income/Business Franchise Tax Return
Wisconsin	Mail report to department and/or file amended return within 90 days after final determination of federal change or filing amended federal return.	Send copy of federal amended return and/or final federal audit report.	Wis. Stat. §71.76, Wis. Admin. Code §2.105 , Form 4 Instructions, Corporation Franchise and Income Tax Return
Wyoming	N/A, because state does not tax general business corporation income.		

Business Income Tax > Amended or Audited Returns > Amended Returns > Deadline for Reporting Federal Changes > **S Corporations**

The following chart indicates the deadline for reporting a federal change or adjustment by an S Corporation, as well as, any attachments that the S corporation must file. The information in this chart is as of August 8, 2016.

Jurisdiction	S Corporations	Comment	Citation
Alabama	No deadline specified.	Attach RAR or any other itemized explanation of federal changes furnished by the IRS.	Ala. Admin. Code r. 810-3-40-.01(4)
Alaska	File amended return within 60 days after final determination of federal adjustment.	Attach all documents related to the change, including RAR.	Alaska Stat. §43.20.030(d) , Form 6000 Instructions, Corporation Net Income Tax Return

Arizona	Within 90 days after final determination of federal adjustment, either: • file amended return, or • file copy of final federal determination, concede accuracy or state errors, and request recomputation of tax by department.	Provide sufficient information for the department to recompute Arizona taxable income based on the RAR changes.	Ariz. Rev. Stat. §43327 , Form 120S Instructions, S Corporation Income Tax Return
Arkansas	File amended return within 90 days after receipt of notice and demand for payment from IRS.		Ark. Code Ann. §26-18-306(b)(1) , Form AR1100S Instructions,

	Effective Oct. 1, 2015, file amended return within 180 days after receipt of notice and demand for payment from IRS.		S Corporation Income Tax Return
California	File amended return or send a letter with copies of the federal changes within 6 months after final determination of federal change or filing amended federal return.	Attach copy of the final federal determination and all underlying data and schedules that explain or support the federal adjustments.	Cal. Rev. & Tax Code §18622 , Form 100X Instructions, Amended Corporation Franchise or Income Tax Return
Colorado	File amended return within 30 days after final determination of federal change or filing amended federal return.	Include statement of reasons for difference.	Colo. Rev. Stat. §3922-601(6)
Connecticut	File amended return within 90 days after final determination of federal change or filing federal amended return.		Conn. Gen. Stat. §12727 , Form CT1065/CT-1120SI Instructions, Composite Income Tax Return
Delaware	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return.	Del. Code Ann. tit. 30, §514 , Form 1100S Instructions, S Corporation Reconciliation And Shareholders Information Return
District of Columbia	File amended return within 90 days after final determination of federal change or filing amended federal return.	Provide detailed statement explaining the adjustments.	D.C. Code Ann. §474301(f) , Form D-20 Instructions, Corporation Franchise Tax Return

Florida	File amended return within 60 days after final determination of federal adjustment or assessment, payment, or collection of tax, whichever occurs first.	Attach copy of amended federal return or other adjustment (such as an RAR).	Fla. Stat. ch. 220.23(2)(a) , Rule 12C1.023
Georgia	File amended return within 180 days after final determination of any federal change or correction.	Attach copy of federal Form 1120S or federal audit adjustments.	Ga. Code Ann. §48-782(c)(1) , Form 600S Instructions, S Corporation Income Tax Return
Hawaii	File amended return within 90 days after federal change or filing amended federal return.	Attach copy of the document issued by the federal government changing the federal taxable income of the corporation.	Haw. Rev. Stat. §235101(b)
Idaho	File amended return within 60 days after final determination of federal change.	Attach copies of all RARs and any other documents and schedules required to clarify the adjustments to taxable income.	Idaho Code §63-3069(1) , IDAPA 35.01.01.890 , Form 41S Instructions, S Corporation Income Tax Return

Illinois	File amended return within 120 days after federal changes are agreed to or finally determined (two years and 120 days if claiming a refund resulting from the change).	Attach copy of federal finalization or proof of acceptance from the IRS along with copy of amended federal form, if applicable. Examples of federal finalization include copy of: <ul style="list-style-type: none"> audit report from the IRS; and/or federal record of account verifying ordinary business income. 	35 ILCS 5/506(b) , Form IL-1120-ST-X Instructions, Amended Small Business Corporation Replacement Tax Return
Indiana	File amended return within 180 days after the federal modification is made (120 days for modifications made before 2011).	Attach copy of amended federal return, RAR, audit report, and/or applicable federal waivers.	Ind. Code §6-3-4-6 , Ind. Admin. Code tit. 45, r. 3.1-1-94 , Form IT-20S Instructions, S Corporation Income Tax Return, Unofficial Department Guidance

Iowa	File amended return within 60 days of final disposition of federal audit.	Include amended federal return and copy of federal RAR, if applicable. Copy of federal RAR and notification of final federal adjustments provided by taxpayer will be acceptable in lieu of an amended return.	Iowa Admin. Code r. 701 52.3(422) , Iowa Code §421.27(2)
Kansas	File amended return within 180 days after payment or final determination of federal adjustment.	Attach copy of amended federal return, RAR, or adjustment letter with full explanation of changes made.	Kan. Stat. Ann. §793230(f) , Form K-120S Instructions, Partnership or S Corporation Return
Kentucky	Department must be notified within 30 days of initiation of federal audit. File amended return within 30 days after conclusion of audit.	Submit copy of final federal determination with amended return.	Ky. Rev. Stat. Ann. §141.210(4) , Form 720S Instructions, S Corporation Income Tax and LLET Return
Louisiana	File amended return within 180 days of the final determination of the federal adjustments.	Attach detailed explanation of changes and copy of federal amended return, if applicable.	La. Rev. Stat. Ann. §47:287.614(C) , Form CIFT-620 Instructions, Corporation Income and Franchise Tax Return
Maine	N/A, because no return filing requirement for tax years after 2011. Tax years before 2012: File amended return within: • 180 days after federal change or	Attach copy of federal amended return, if applicable, and explanation of reason for the change or correction.	Me. Rev. Stat. Ann. tit. 36, §5245(1) , Tax Alert, Vol. 22, No. 3 , Form 1065ME/1120S-ME, Information Return for Partnerships & S Corporations
	federal amended return is filed effective on or after July 1, 2011; or • 90 days after federal change or federal amended return is filed effective before July 1, 2011.		
Maryland	File amended return within 90 days after final determination of federal adjustment.	Attach copy of federal amended return or final IRS adjustment report.	Md. Regs. Code tit. 03, §03.04.02.11(A) , Form 510 Instructions, Passthrough Entity Income Tax Return

Massachusetts	File amended return within 3 months after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	Mass. Gen. Laws ch. 62C, §30, Mass. Regs. Code tit. 830, §62C.30.1(3) , Form CA-6 Instructions, Application for Abatement/Amended Return
Michigan	File amended return within 120 days after final determination of federal adjustment.	Attach copy of federal amended return or signed and dated IRS audit document. We recommend you reference cited authority for more information.	Mich. Comp. Laws §206.687(2), Mich. Comp. Laws §208.1507(2), Mich. Comp. Laws §208.75(2) , Form 4567 Instructions, MBT Annual Return
Minnesota	File amended return, or mail letter to Department of Revenue detailing how the federal determination is incorrect or does not change the Minnesota tax, within 180 days after final determination of federal change or filing of federal amended return.	Attach copy of federal amended return or IRS audit report.	Minn. Stat. §289A.38(7) , Form M8 Instructions, S Corporation Return
Mississippi	File amended return within 30 days after agreeing to the federal change.	Attach copy of federal amended return or RAR.	Miss. Code. Ann. §27-7-51(4) , Corporate Income and Franchise Tax FAQs
Missouri	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, RAR, closing agreement, and/or applicable court decision.	Mo. Rev. Stat. §143.601, Mo. Code. Regs. Ann. tit. 12, §102.105
Montana	File amended return within 90 days after notice of federal change or filing amended federal return.	Attach copy of federal amended return or IRS notice of corrections.	Mont. Code Ann. §1531-506, Mont. Admin. R. 42.23.303 , Form CLT-4S Instructions, S Corporation Information and Composite Tax Return
Nebraska	File amended return within 60 days after final determination of federal change.	Attach copy of federal amended return, IRS report, or other document that	Neb. Rev. Stat. §772775, Reg. 24-046 , Form 1120-SN Instructions, S
		substantiates the adjustments claimed.	Corporation Income Tax Return
Nevada	N/A, because state does not tax passthrough income.		

New Hampshire	File amended return within 6 months after final determination of federal adjustment.	Attach copy of federal amended return or IRS adjustment report.	N.H. Rev. Stat. Ann §77-A:10 , N.H. Rev. Stat. Ann §77-E:9 , ROC General Instructions
New Jersey	File amended return within 90 days after final determination of federal change or filing amended federal return.		N.J. Stat. Ann. §54:10A-13 , Form CBT-100S Instructions, S Corporation Business Tax Return
New Mexico	<u>Tax years before July 1, 2013:</u> File amended return within 90 days after final determination of federal adjustment. <u>Tax years after July 1, 2013:</u> File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	N.M. Stat. Ann. §7-113(C) , Form S-Corp Instructions, Sub-Chapter S Corporate Income and Franchise Tax Return
New York	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal Form 4549, Income Tax Examination Changes.	N.Y. Tax Law §211(3) , N.Y. Comp. Code R. & Regs. tit. 21, §6-1.3 , N.Y. Comp. Code R. & Regs. tit. 21, §6-1.4 , Form CT-3-S Instruction, S Corporation Franchise Tax Return
North Carolina	File amended return within 6 months of notification of correction or final federal determination.	Include a complete explanation of reasons for filing an amended return, including specific schedule and line number references, on Schedule J of the return.	N.C. Gen. Stat. §105130.20 , Form CD-401S Instructions, S Corporation Tax Return
North Dakota	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return or IRS audit report.	N.D. Cent. Code §5738-34.4 , N.D. Admin. Code §81-03-01.1-09 , Form 60 Instructions, Small Business Corporation Tax Return
Ohio	<u>Commercial Activity Tax (CAT):</u> No deadline specified. <u>Corporate Franchise Tax:</u> File amended return within 1 year after final determination of federal adjustment.	<u>Commercial Activity Tax (CAT):</u> Attach copy of federal amended return or RAR if refund requested. <u>Corporate Franchise Tax:</u>	Ohio Rev. Code Ann. §5747.45 , Form 1140, Passthrough Entity and Trust Withholding Tax Return, Unofficial Department Guidance

		Attach copy of federal amended return or RAR.	
Oklahoma	File amended return within 1 year after final determination of federal change.	Attach copy of federal amended return or RAR.	Okla. Stat. tit. 68, §2375(H)(2) , Okla. Admin. Code §710:50-3-8(a) , Form 512-S Instructions, Small Business Corporation Income Tax Return
Oregon	File amended return within 90 days after federal change or filing amended federal return.	Attach copy of federal amended return or RAR.	Or. Rev. Stat. §314.380(2) , OAR 150-314.380(2)-(B) , Form 20-S Instructions, S Corporation Tax Return
Pennsylvania	File amended return within 30 days after determination of need to amend return.	Attach copy of federal amended return, statement of reasons for filing the amended return, and supporting forms or schedules.	Form PA20S/PA65 Instructions, S Corporation/Partnership Information Return
Rhode Island	File amended return within 60 days after notice of final determination of federal change.	Attach copy of federal amended return or RAR.	R.I. Gen. Laws §44-1119 , Form RI-1120X Instructions, Amended Business Corporation Tax Return
South Carolina	File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	S.C. Code Ann. §1254-85(D)(2) , Form SC 1120S Instructions, S Corporation Income Tax Return
South Dakota	N/A, because state does not tax passthrough income.		

Tennessee	No deadline specified.	Mail letter of explanation (Franchise and Excise Tax Federal Income Revision Form preferred) and supporting documentation (such as copies of federal amended return, signed RAR, and/or refund check) to Department of Revenue. A taxpayer that files a consolidated federal return should enclose a schedule detailing the changes that apply to the entity for which the revisions are being reported or a consolidated schedule reflecting all adjustments by entity.	Important Notice, Unofficial Department Guidance
Texas	File amended return within 120 days after final determination of federal adjustment or filing amended federal return.	Attach cover letter of explanation, with enclosures necessary to support the amendment.	Tex. Tax Code Ann. §171.212, 34 Tex. Admin. Code §3.584(f)
Utah	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, IRS audit or adjustment report, or other explanation of changes.	Utah Code Ann. §59-7519 , Form TC-20S Instructions, S Corporation Franchise or Income Tax Return
Vermont	File amended return within 60 days after notice of federal change or filing federal amended return.	Attach copy of IRS report.	Vt. Stat. Ann. tit 32, §5866(a), Unofficial Department Guidance
Virginia	File amended return within 1 year after final determination of federal change or filing federal amended return.	No requirement to attach copy of amended federal return or IRS final determination letter.	Va. Code Ann. §58.1-311 , Form 502 Instructions, Passthrough Entity Return of Income, Unofficial Department Guidance
Washington	N/A, because state does not tax passthrough income.		

West Virginia	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return and RAR, if applicable.	W. Va. Code §11-2420 , W. Va. Code St. R. §110-24-20 , Form WV/SPF-100, Income/Business Franchise Tax Return for S Corporation and Partnership Instructions
Wisconsin	Mail report to department and/or file amended return within 90 days after final determination of federal change or filing amended federal return.	Send copy of federal amended return and/or final federal audit report.	Wis. Stat. §71.76 , Wis. Admin. Code §2.105 , Form 5S Instructions, Tax-Option (S) Corporation Franchise or Income Tax Return
Wyoming	N/A, because state does not tax passthrough income.		

Business Income Tax > Amended or Audited Returns > Amended Returns > Deadline for Reporting Federal Changes > **Partnerships, LLPs, and LLCs**

The following chart indicates the deadline for reporting a federal change or adjustment by a Partnership, LLP or LLC, as well as, any attachments that must be filed. The information in this chart is as of August 8, 2016.

	after final determination of federal adjustment. <u>Tax years before 2012:</u> Federal change must be reflected on corporate partner's amended return.	related to the change, including RAR.	§43.20.030(d) , Unofficial Department Guidance , Form 6900 Instructions, Partnership Information Return
Arizona	Within 90 days after final determination of federal adjustment, either: • file amended return, or • file copy of final federal determination, concede accuracy or state errors, and request recomputation of tax by department.	Provide sufficient information for the department to recompute Arizona taxable income based on the RAR changes.	Ariz. Rev. Stat. §43327 , Form 165 Instructions, Partnership Income Tax Return

Jurisdiction	Partnerships, LLPs, and LLCs	Comment	Citation
Alabama	No deadline specified.	Attach RAR or any other itemized explanation of federal changes furnished by the IRS.	Ala. Admin. Code r. 810-3-40-.01(4)
Alaska	File amended return within 60 days	Attach all documents	Alaska Stat.

Arkansas	File amended return within 90 days after receipt of notice and demand for payment from IRS. Effective Oct. 1, 2015, file amended return within 180 days after receipt of notice and demand for payment from IRS.		Ark. Code Ann. §2618-306(b)(1)
California	File amended return within 6 months after final determination of federal change or filing amended federal return.	Attach copy of federal RAR or other notice of the adjustments.	Cal. Rev. & Tax Code §18622 , Form 565 Instructions, Partnership Return of Income
Colorado	File amended return within 30 days after final determination of federal change or filing amended federal return.	Include statement of reasons for difference.	Colo. Rev. Stat. §3922-601(6)
Connecticut	File amended return within 90 days after final determination of federal change or filing federal amended return.		Conn. Gen. Stat. §12727 , Form CT1065/CT-1120SI Instructions, Composite Income Tax Return
Delaware	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return and/or federal audit.	Del. Code Ann. tit. 30, §514 , Form 300 and Instructions, Partnership Return
District of Columbia	File amended return within 90 days after final determination of federal change or filing amended federal return.	Provide detailed statement explaining the adjustments.	D.C. Code Ann. §474301(f) , Form D-65 Instructions, Partnership Return of Income
Florida	Federal change must be reflected on corporate partner's amended return.		Unofficial Department Guidance
Georgia	File amended return within 180 days after final determination of any federal change or correction.	Attach copy of amended federal partnership return. Detailed statement of	Ga. Code Ann. §48-782(e)(1) , Form 700 Instructions, Partnership Income Tax
		federal audit adjustments must be mailed separately to Department of Revenue.	Return
Hawaii	File amended return within 90 days after federal change or filing amended federal return.	Attach copy of the document issued by the federal government changing the federal taxable income of the corporation.	Haw. Rev. Stat. §235101(b)

Idaho	File amended return within 60 days after final determination of federal change.	Attach copies of all RARs and any other documents and schedules required to clarify the adjustments to taxable income.	Idaho Code §63-3069(1), IDAPA 35.01.01.890 , Form 65 Instructions, Partnership Return of Income
Illinois	File amended return within 120 days after federal changes are agreed to or finally determined (two years and 120 days if claiming a refund resulting from the change).	Attach copy of federal finalization or proof of acceptance from the IRS along with copy of amended federal form, if applicable. Examples of federal finalization include copy of: <ul style="list-style-type: none"> • audit report from the IRS; and/or • federal record of account verifying ordinary business income. 	35 ILCS 5/506(b) , Form IL-1065-X Instructions, Amended Partnership Replacement Tax Return
Indiana	File amended return within 180 days after the federal modification is made (120 days for modifications made before 2011).	Attach copy of amended federal return, RAR, audit report, and/or applicable federal waivers.	Ind. Code §6-3-4-6, Ind. Admin. Code tit. 45, r. 3.1-1-94 , Form IT-65 Instructions, Partnership Return, Unofficial Department Guidance
Iowa	File amended return within 60 days of final disposition of federal audit.	Include amended federal return, if applicable. Copy of federal RAR and notification of final federal adjustments provided by taxpayer will be acceptable in lieu of an amended return.	Iowa Admin. Code r. 701.39.3(422), Iowa Code §421.27(2)
Kansas	File amended return within 180 days after payment or final determination of federal adjustment.	Attach copy of amended federal return, RAR, or adjustment letter with full explanation of changes made.	Kan. Stat. Ann. §793230(f) , Form K-120S Instructions, Partnership or S Corporation Return
Kentucky	Department must be notified within 30 days of initiation of federal audit.	Submit copy of final federal determination	Ky. Rev. Stat. Ann. §141.210(4) , Form 765-
	File amended return within 30 days after conclusion of audit.	with amended return.	GP Instructions, General Partnership Income Return

Louisiana	File amended return within 60 days of the taxpayer's receipt of the federal adjustments.	Attach detailed explanation of changes and copy of federal amended return, if applicable.	La. Rev. Stat. Ann. §47:103(C) , Unofficial Department Guidance
Maine	N/A, because no return filing requirement for tax years after 2011. <u>Tax years before 2012:</u> File amended return within: <ul style="list-style-type: none"> • 180 days after federal change or federal amended return is filed effective on or after July 1, 2011; or • 90 days after federal change or federal amended return is filed effective before July 1, 2011. 	Attach copy of federal amended return, if applicable, and explanation of reason for the change or correction.	Me. Rev. Stat. Ann. tit. 36, §5245(1) , Tax Alert, Vol. 22, No. 3 , Form 1065ME/1120S-ME, Information Return for Partnerships & S Corporations
Maryland	File amended return within 90 days after final determination of federal adjustment.	Attach copy of federal amended return or final IRS adjustment report.	Md. Regs. Code tit. 03, §03.04.02.11(A) , Form 510 Instructions, Passthrough Entity Income Tax Return
Massachusetts	File amended return within one year after receipt of notice of final determination of federal change.	Attach copy of federal amended return or RAR.	Mass. Gen. Laws ch. 62C, §30 , Mass. Regs. Code tit. 830, §62C.30.1(3) , Administrative Procedure 619.2
Michigan	File amended return within 120 days after final determination of federal adjustment.	Attach copy of federal amended return or signed and dated IRS audit document. We recommend you reference cited authority for more information.	Mich. Comp. Laws §206.687(2) , Mich. Comp. Laws §208.75(2) , Mich. Comp. Laws §208.1507(2) , Form 4567 Instructions, MBT Annual Return
Minnesota	File amended return, or mail letter to Department of Revenue detailing how the federal determination is incorrect or does not change the Minnesota tax, within 180 days after final determination of federal change or filing of federal amended return.	Attach copy of federal amended return or IRS audit report.	Minn. Stat. §289A.38(7) , Form M3 Instructions, Partnership Return
Mississippi	File amended return within 30 days after agreeing to the federal change.	Attach copy of federal amended return or RAR.	Miss. Code. Ann. §27-7-51(4) , Corporate Income and Franchise Tax FAQs
Missouri	File amended return within 90 days after final determination of federal change or filing amended federal	Attach copy of federal amended return, RAR, closing agreement,	Mo. Rev. Stat. §143.601 , Mo. Code. Regs. Ann. tit. 12, §10-

	return.	and/or applicable court decision.	2.105
Montana	File amended return within 90 days after notice of federal change or filing federal amended return.	Attach copy of federal amended return or IRS notice of corrections.	Mont. Code Ann. §15-30-2619 , Form PR-1 Instructions, Partnership Information and Composite Tax Return
Nebraska	File amended return within 60 days after final determination of federal change.	Attach copy of federal return and all related schedules or other documentation explaining changes.	Neb. Rev. Stat. §77-2775 , Form 1065N Instructions, Return of Partnership Income
Nevada	N/A, because state does not tax passthrough income.		
New Hampshire	File amended return within 6 months after final determination of federal adjustment.	Attach copy of federal amended return or IRS adjustment report.	N.H. Rev. Stat. Ann §77-A:10 , N.H. Rev. Stat. Ann §77-E:9 , ROC General Instructions
New Jersey	File amended return within 30 days after filing of federal amended return or 90 days after final determination of federal change.		N.J. Stat. Ann. §54A:87 , Form NJ-1065 Instructions, Partnership Return
New Mexico	<u>Tax years before July 1, 2013:</u> File amended return within 90 days after final determination of federal adjustment. <u>Tax years after July 1, 2013:</u> File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal amended return or RAR.	N.M. Stat. Ann. §7-113(C) , Form PTE Instructions, Information Return for Passthrough Entities
New York	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal report of examination changes and signed statement indicating whether the taxpayer concedes the federal audit changes and, if not, then why.	N.Y. Tax Law §659 , Form IT-204 Instructions, Partnership Return
North Carolina	File amended return within 6 months of notification of correction or final federal determination.	Attach a copy of federal RAR or other notice of the adjustments to the return.	N.C. Gen. Stat. §105159 , Unofficial Department Guidance
North Dakota	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return or IRS audit report.	N.D. Cent. Code §5738-34.4 , N.D. Admin. Code §81-03-01.1-09 , Form 58 Instructions, Partnership Return of Income

Ohio	Commercial Activity Tax (CAT): No deadline specified.	Commercial Activity Tax (CAT):	Ohio Rev. Code Ann. §5747.45 , Form 1140,
	Corporate Franchise Tax: File amended return within 1 year after final determination of federal adjustment.	Attach copy of federal amended return or RAR if refund requested. Corporate Franchise Tax: Attach copy of federal amended return or RAR.	Passthrough Entity and Trust Withholding Tax Return, Unofficial Department Guidance
Oklahoma	File amended return within 1 year after final determination of federal change.	Attach copy of federal amended return or RAR.	Okla. Stat. tit. 68, §2375(H)(2) , Okla. Admin. Code §710:503-8(a) , Form 514 Instructions, Partnership Income Tax Return
Oregon	File amended return within 90 days after federal change or filing amended federal return.	Attach copy of federal amended return or RAR.	Or. Rev. Stat. §314.380(2) , OAR 150314.380(2)-(B)
Pennsylvania	File amended return within 30 days after determination of need to amend return.	Attach copy of federal amended return, statement of reasons for filing the amended return, and supporting forms or schedules.	Form PA20S/PA65 Instructions, S Corporation/Partnership Information Return
Rhode Island	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return and all supporting documents.	R.I. Gen. Laws §44-3059
South Carolina	File amended return within 180 days after final determination of federal adjustment.	Attach copy of federal amended return and all supporting schedules.	S.C. Code Ann. §1254-85(D)(2)
South Dakota	N/A, because state does not tax passthrough income.		
Tennessee	N/A		Unofficial Department Guidance
Texas	File amended return within 120 days after final determination of federal adjustment or filing amended federal return.	Attach cover letter of explanation, with enclosures necessary to support the amendment.	Tex. Tax Code Ann. §171.212 , 34 Tex. Admin. Code §3.584(f)

Utah	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return, IRS audit or adjustment report, or other explanation of changes.	Utah Code Ann. §59-10-536 , Form TC-65 Instructions, Partnership/Limited Liability Partnership/Limited Liability Company Return
Vermont	File amended return within 60 days after notice of federal change or filing federal amended return.	Attach copy of IRS report.	Vt. Stat. Ann. tit 32, §5866(a) , Unofficial Department Guidance
Virginia	File amended return within 1 year after final determination of federal change or filing federal amended return.	No requirement to attach copy of amended federal return or IRS final determination letter.	Va. Code Ann. §58.1-311 , Form 502 Instructions, Passthrough Entity Return of Income, Unofficial Department Guidance
Washington	N/A, because state does not tax passthrough income.		
West Virginia	File amended return within 90 days after final determination of federal change or filing amended federal return.	Attach copy of federal amended return and RAR, if applicable.	W. Va. Code §11-2159 , W. Va. Code St. R. §110-21-59 , Form WV/SPF-100, Income/Business Franchise Tax Return for S Corporation and Partnership Instructions
Wisconsin	File amended return within 90 days after final determination of federal change or filing amended federal return.	Send copy of federal amended return and/or final federal audit report.	Wis. Stat. §71.76 , Wis. Admin. Code §2.105 , Form 3 Instructions, Partnership Return
Wyoming	N/A, because state does not tax passthrough income.		

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