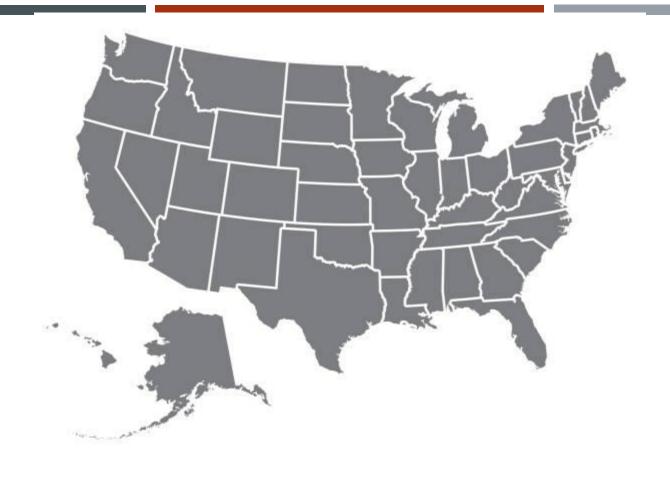


Uniformity Developments Staff Report

UNIFORMITY COMMITTEE AUSTIN, TEXAS JULY 25, 2023



STATES

LATEST STATE UPDATES

- Colorado and Utah enacted provisions to assess state tax on federal centralized partnership adjustments, following the MTC approach.
- New Jersey changed to Finnigan combined filing.
- Indiana and Montana enacted withholding thresholds.

LATEST STATE UPDATES

- Illinois expanded the definition of an investment partnership but also required those partnerships to withhold on state-sourced flowthrough income.
- Hawaii and Montana enacted PTE taxes.
- A number of states amended or had bills to amend or modify their PTE taxes.



LITIGATION

LATEST LITIGATION UPDATES

- P.L. 86-272 Case in California
 - American Catalog Mailers Association v. Franchise Tax Board
 - Pending before the superior court
 - Whether California's published guidance, which follows the MTC's revised statement, was issued properly or is facially flawed.

LATEST LITIGATION UPDATES

- Digital Ad Tax in Maryland
 - Comptroller v. Comcast
 - State supreme court dismissed on the grounds that the plaintiff did not exhaust administrative remedies.
 - Whether the tax violates the Internet Tax Freedom Act.

LATEST LITIGATION UPDATES

- Moore v. United States
 - The U.S. Supreme Court granted cert.
 - Case results from the federal government's shift to a different international sourcing system and imposed a one-time transition tax on deemed repatriated income.
 - Case involves individual taxpayers with a greater than 10% ownership share of a controlled foreign corporation who are, therefore, subject to the tax.
 - Appellants raise the proposed federal wealth tax as a reason the Court should decide the case.
 - A broad ruling by the Court could affect states that conform to the federal tax code.

QUESTIONS – COMMENTS?

THANK YOU