

## Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

**Archive:** <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

### California Governor signs A.B. 80 relating to PPP loans

On April 29, 2021, California Governor Gavin Newsom signed A.B. 80, addressing modified conformity to federal income tax provisions relating to loans forgiven pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (“CARES Act”), the Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-319) (“Enhancement Act”), the Paycheck Protection Program Flexibility Act of 2020 (Public Law 116-142) (“Flexibility Act”), or the Consolidated Appropriations Act, 2021 (Public Law 116-260) (“CCA”). A.B. 80 is now California law and applies to taxable years beginning on or after January 1, 2019.

**URL:** [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB80](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB80)

This Multistate Tax Alert summarizes these provisions under A.B. 80.

[Issued April 30, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-california-governor-signs-ab-80-relating-to-ppp-loans.pdf>

### California Legislature proposes A.B. 71, relating to taxation of GILTI and repatriation income

On April 29, 2021, the Assembly Committee on Housing and Community Development passed, by a 5-2 vote, A.B. 71, relating to taxation of global intangible low-taxed income (“GILTI”) and certain repatriation income. A.B. 71 was first introduced on December 7, 2020, and was passed by the Assembly Committee on Revenue and Taxation on April 20, 2021. A.B. 71 faces additional procedural steps and possible revisions, including consideration by the Senate, and has not yet been enacted into California law.

**URL:** [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB71](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB71)

The provisions under the Corporation Tax Laws and the Personal Income Tax Laws differ: while A.B. 71 would not provide apportionment factor relief for the inclusion of GILTI for corporate franchise/income tax purposes, there is a provision that would allow a taxpayer to petition the California Franchise Tax Board for alternative apportionment for personal income tax purposes.

This Multistate Tax Alert summarizes notable provisions from the version of A.B. 71 amended as of March 25, 2021.

[Issued April 30, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mts-california-legislature-proposes-a-b-71-relating-to-taxation-of-gilti-and-repatriation-income.pdf>

### **Idaho enacts a pass-through entity-level tax election**

On April 15, 2021, Idaho Governor Brad Little signed House Bill 317 (“H.B. 317”) into law instituting an elective pass-through entity-level tax. As a response to the \$10,000 cap on the federal individual income tax deduction for state and local taxes that was enacted as part of the Tax Cuts and Jobs Act, H.B. 317 permits certain pass-through entities (PTEs) to elect to pay Idaho income tax at the entity level. This bill is effective retroactively to January 1, 2021. Under the new law, such an election may be made for any taxable year by filing the election with a timely filed original return for that taxable year.

This Multistate Tax Alert summarizes these new provisions under H.B. 317.

[Issued April 29, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-idaho-enacts-pass-through-entity-level-tax-election.pdf>

### **Kansas Legislature overrides Governor veto to enact significant indirect and income tax law changes**

On May 3, 2021, the Kansas State Legislature voted to override Governor Kelly’s veto of Senate Bill 50 (“KS SB 50”) imposing sales/use tax collection requirements as of July 1, 2021 on marketplace facilitators and remote sellers who exceed the \$100,000 sales threshold. The bill also amends income tax law regarding conformity to certain Tax Cuts and Jobs Act provisions, corporate return due dates, and net operating loss carryforward provisions.

**URL:** [http://www.kslegislature.org/li/b2021\\_22/measures/documents/sb50\\_enrolled.pdf](http://www.kslegislature.org/li/b2021_22/measures/documents/sb50_enrolled.pdf)

This Multistate Tax Alert summarizes the more significant provisions of KS SB 50.

[Issued May 5, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-kansas-legislature-overrides-governor-veto-to-enact-significant-indirect-and-income-tax-law-changes.pdf>

### **Montana pending legislation modifies corporate apportionment factor, overhauls individual income tax law, and eliminates numerous tax credits**

On April 23, 2021, the Montana legislature passed Senate Bill 376, which provides for a double-weighted sales factor for corporate income tax apportionment purposes. On April 27, 2021, the Montana legislature also passed Senate Bill 399, which substantially revises the individual income tax law and eliminates numerous state tax credits, including some available to corporate taxpayers. The enrolled bills are currently awaiting signature or veto by the Governor.

**URL:** <https://legiscan.com/MT/bill/SB376/2021>

**URL:** <https://legiscan.com/MT/text/SB399/2021>

This Multistate Tax Alert summarizes the provisions under these enrolled bills.

[Issued April 30, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-montana-pending-legislation-modifies-corporate-apportionment-factor-overhauls-individual-income-tax-law.pdf>

## **Texas Comptroller proposes additional provisions potentially impacting the treatment of research and development activities**

The Texas Comptroller of Public Accounts (Comptroller) recently published proposed regulatory amendments with the Office of the Texas Secretary of State to provide guidance on the franchise tax research and development (“R&D”) activities credit and the sales/use tax R&D exemption. The publishing of the proposed amendments triggers a 30-day public comment period (*i.e.*, by May 14).

This Multistate Tax Alert supplements our Multistate Tax Alert issued on April 22, 2021, by providing a summary of several proposed provisions impacting the Comptroller’s treatment of R&D activities.

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-texas-comptroller-proposes-new-treatment-of-research-and-development-activities.pdf>

[Issued April 30, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-texas-comptroller-proposes-additional-provisions-potentially-impacting-the-treatment-of-research-and-development-activities.pdf>

## **Washington enacts legislation imposing new excise tax on capital gains**

On May 4, 2021, Governor Jay Inslee signed into law Senate Bill 5096 (“WA SB 5096”), which imposes a new excise tax on long-term capital gains earned by individuals from the sale or exchange of certain capital assets.

**URL:** <http://lawfilesexternal.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5096-S.PL.pdf>

This Multistate Tax Alert summarizes the more significant provisions of WA SB 5096.

[Issued April 28, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-washington-pending-bill-would-impose-new-excise-tax-on-capital-gains.pdf>

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