

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 Legislature moves A.B. 71, relating to taxation of GILTI and repatriation income, to inactive file

On June 3, 2021, the California Assembly moved A.B. 71, relating to taxation of global intangible low-taxed income (“GILTI”) and certain repatriation income, to the *inactive file*. Had A.B. 71 moved forward, the provisions would have, among other things, subjected GILTI to corporate franchise tax without providing for associated apportionment factor representation.

URL: https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202120220AB71

This Multistate Tax Alert addresses this latest development on the bill.

[Issued June 9, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-california-legislature-moves-ab-71-relating-to-taxation-of-gilti-and-repatriation-income-to-inactive.pdf>

Illinois fiscal year 2022 state budget highlights

On June 1, 2021, the Illinois Legislature approved Senate Bill 2017 (the “Budget Implementation Bill”), which is expected to be signed into law by Governor Pritzker. The Budget Implementation Bill contains amendments to Illinois tax law including: a \$100,000 limitation on the net loss deduction for corporations, decoupling from federal bonus depreciation, elimination of the phase-out of the franchise tax, addback of Internal Revenue Code (IRC) section 250 GILTI (global intangible low-taxed income) deduction, section 243(e), and section 245A(a) dividends, and exclusion of IRC section 1248 and section 245(a) from the Illinois dividend received deduction.

URL: <https://www.ilga.gov/legislation/102/SB/PDF/10200SB2017lv.pdf>

This Multistate Tax Alert summarizes some of the significant Illinois tax-related provisions included in the Budget Implementation Bill.

[Issued June 16, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-illinois-fiscal-year-2022-state-budget-highlights.pdf>

New Jersey announces compliance initiative for Corporation Business Tax

On June 3, 2021, the New Jersey Division of Taxation announced a new compliance initiative for corporation business tax. Beginning June 15, 2021 and running through October 15, 2021, companies that had nexus with New Jersey prior to filing as part of a combined return that did not previously file as separate entities for

periods prior to 2019 have the opportunity to voluntarily come forward and comply with their New Jersey Corporation Business Tax filing requirements.

This Multistate Tax Alert summarizes some of the significant provisions of the New Jersey Corporation Business Tax – Combined Reporting Initiative.

[Issued June 14, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-new-jersey-announces-compliance-initiative-for-corporation-business-tax.pdf>

Texas enacts law amending definition of “data processing service” for sales and use tax purposes

Texas Governor Greg Abbott signed into law on June 14, 2021 Senate Bill 153 (“SB 153”), which amends the definition of “data processing service” under Tex. Tax Code § 151.0035 to exclude certain payment processing services as taxable services for sales and use tax purposes.

URL: <https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00153H.pdf#navpanes=0>

This Multistate Tax Alert provides a summary of the modifications to what constitutes a “data processing service” under SB 153.

[Issued June 15, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-texas-enacts-law-amending-definition-data-processing-service-for-sales-and-use-tax-purposes.pdf>

West Virginia issues proposed market-based sourcing rules

West Virginia recently published proposed rules for administering newly enacted legislation that adopts single sales factor apportionment with market-based sourcing for sales other than sales of tangible personal property, effective January 1, 2022.

This Multistate Tax Alert summarizes some of the provisions included in this proposed guidance.

[Issued June 16, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-west-virginia-issues-proposed-market-based-sourcing-rules.pdf>

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