

Income/Franchise:

Multistate Tax Commission Adopts Changes to P.L. 86-272 Statement and Combined Reporting Model Statute

Multistate Tax Commission 54th Annual Business Meeting Agenda, Multistate Tax Commission (8/4/21); *Revised Statement on PL 86-272*, Multistate Tax Commission (8/4/21); *Resolution on Revisions to PL 86-272 Statement*, Multistate Tax Commission (8/4/21); *Model Statute for Combined Filing – Finnigan*, Multistate Tax Commission (8/4/21); *Resolution on Finnigan Combined Filing Model*, Multistate Tax Commission (8/4/21). At its recent annual meeting, the Multistate Tax Commission (MTC) approved revisions to its:

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URL: <https://www.mtc.gov/getattachment/Events-Training/2021/54th-Annual-Business-Meeting/Statement-on-PL-86-272-FINAL-for-adoption.pdf.aspx>

URL: <https://www.mtc.gov/getattachment/Events-Training/2021/54th-Annual-Business-Meeting/Resolution-on-Revisions-to-PL-86-272-Statement.pdf.aspx>

URL: <https://www.mtc.gov/getattachment/Events-Training/2021/54th-Annual-Business-Meeting/Model-Statute-for-Combined-Filing-Finnigan-FINAL-for-adoption.pdf.aspx>

URL: <https://www.mtc.gov/getattachment/Events-Training/2021/54th-Annual-Business-Meeting/Resolution-on-Finnigan-Combined-Filing-Model.pdf.aspx>

1. “Statement of Information Concerning Practices of Multistate Tax Commission and Signatory States Under Public Law 86-272” (“P.L. 86-272 Statement”) as part of an effort to incorporate activities “regularly undertaken by businesses today, including selling goods over the Internet,” and
2. “Model Statute for Combined Reporting” that include a “Finnigan” alternative to the existing “Joyce” approach.

Amendments to the P.L. 86-272 Statement interpret “business activity” to include some interactive internet activity and, according to the underlying MTC Uniformity Committee’s “P.L. 86-272 Statement of Information Work Group,” provide a framework to determine whether P.L. 86-272 protects non-solicitation business activities conducted via the internet. The P.L. 86-272 Statement revisions add several factual scenarios indicating, in each case, whether the business activity is or is not protected by P.L. 86-272, as well as update referenced case law – including inserting *Wayfair*. Please contact us with any questions.

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