

Credits/Incentives:

Texas Comptroller Issues Proposed Amendments to R&D Rules and Requests Comments within 30 Days

Proposed Amended Tex. Admin. Code tit. 34 section 3.599 and Proposed Amended Tex. Admin. Code tit. 34 section 3.340, Tex. Comptroller (6/10/22). The Texas Comptroller of Public Accounts (Comptroller) published proposed regulatory amendments to provide additional guidance and clarification on the Texas franchise tax research and development (R&D) activities credit and the sales/use tax R&D exemption [see previously issued Multistate Tax Alert for 2021 amendments to these same rules]. Among the proposed changes are amendments to the definition of Internal Revenue Code to ultimately expand the federal Treasury Regulations applicable to the 2011 federal income tax year; the Comptroller noted such changes are in direct response to comments received during the Comptroller's 2021 rulemaking process. Other proposed changes include guidance on determining the R&D credit carryforward when the combined franchise tax group changes, as well as eliminating certain "internal use software" examples. Comments on these proposed changes are due no later than 30 days from the date of publication in the June 10th Texas Register. Please contact us with any questions.

URL: <https://www.sos.texas.gov/texreg/pdf/backview/0610/0610prop.pdf>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-texas-comptroller-adopts-amended-rules-for-r-and-d-activities.pdf>

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