2017 LEGISLATIVE CHANGES: STATE TAX MATTERS

Sept. 26, 2017
Mo Bell-Jacobs
Manager, Washington National Tax
Mo is responsible for tracking legislation, reviewing significant court developments, acting as a technical resource and providing client service.

Brian Kirkell
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Brian serves as a technical resource and tracks significant state case law, legislative and administrative activities daily as well as coordinating the firm’s response to law changes.
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2017 STATE LEGISLATIVE FOCUS
As Congress considers tax reform, states push forward

- Federal legislation
- Rate changes and apportionment
- Local action
- Sales tax nexus
- Amnesties
2017 FEDERAL LEGISLATION IMPACTING SALT
Introduced federal legislation impacting SALT

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<th>Sales tax on remote sales</th>
<th>Mobile employees</th>
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| • Marketplace Fairness Act of 2017 (S.976)  
CORPORATE INCOME, FRANCHISE, AND GROSS RECEIPTS TAXES
• Washington HB 2163
Rate Changes

- California Proposition 55
- Maine Question 2
- Tennessee HB 534
- New Hampshire HB 517
- North Carolina SB 257
- Delaware HB 175
- Illinois SB 9
- Washington, D.C. Act 22-104
Apportionment and allocation

• Indiana SB 440
• Tennessee HB 534
• Montana HB 511
• Oregon SB 28
Net operating losses

- Montana HB 550
Income tax base

- Texas HB 4002
- Kansas SB 30
- Illinois SB 9
City-specific income tax changes

- Seattle Ordinance 125339
- Portland Ordinance 182137
- Washington, D.C., Universal Paid Leave
The assault on physical presence

- *Quill* Challenges
  - Wyoming HB 19
  - North Dakota SB 2298
  - Indiana HB 1129
  - Maine LD 1405

- Elections
  - Washington HB 2163
  - Rhode Island HB 5175
Expanded sales tax nexus

• Use Tax Reporting
  • Colorado DMA litigation
  • Alabama SB 86
• Elections
  • Washington HB 2163
  • Rhode Island HB 5175
Cookie nexus

• Ohio HB 49
Marketplace provider nexus

- Minnesota HF 1
- Washington HB 2163
Rate changes and tax base

- New Jersey AB 12
- Missouri Amendment 4
- Wyoming SF 70
- Florida HB 7109
- Illinois SB 9
Other trends in 2017

- Vapor products
- Soda taxes
CREDITS AND INCENTIVES
Credits and incentives

• Illinois SB 513
• Maryland SB 317
• Tennessee HB 534
• Arizona SBs 1416 and 1292, HB 2191
• Illinois SB 9
### Amnesties

#### Current and future amnesties
- MTC Marketplace Seller VDI
- New Jersey Click-through amnesty
- Oklahoma HB 2380
- Virginia 2246
- Ohio HB 49

#### Recently completed amnesties
- Pennsylvania HB 1198
Administrative changes

• California AB 119
• Kentucky HB 453
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