

State Tax Reform—Tax Havens, Transfer Pricing, and More

TEI-SJSU High Tech Tax Institute

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Agenda

Tax Havens

State Tax Havens (Combined Reporting Changes)

Additional State Tax Haven Legislature

“Tax Haven”

“Blacklist” Approach Tax Havens

MTC Approach Tax Havens

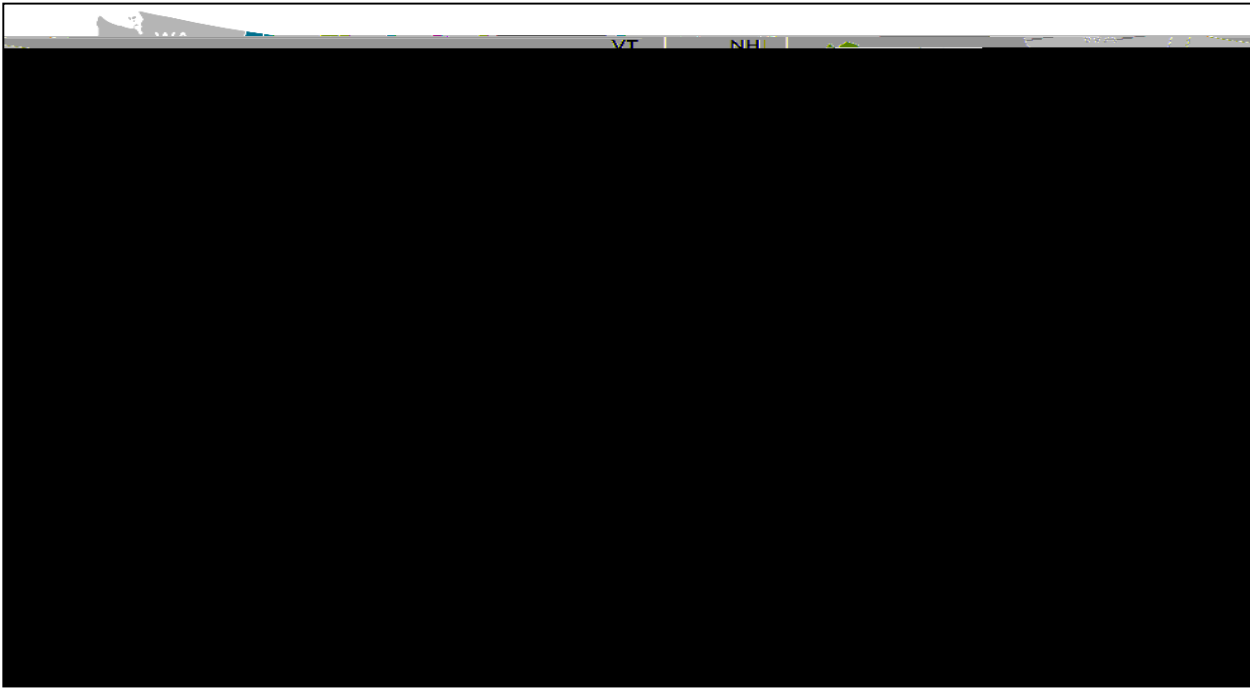
Constitutionality

Container Corp. v. Franchise Tax Board

Concerns and Considerations

*Transfer pricing
overview and current
transfer pricing
environment*

Why is transfer pricing a growing area of state scrutiny?



Different tax regimes (e.g. combined reporting, sourcing)

Legislatures reluctant to raise taxes

Current State Transfer Pricing ("TP") Environment

Federal Level I.R.C. § 482

States and § 482

Current state transfer pricing environment

Current state transfer pricing environment

Connecticut –

DC –

Florida –

Georgia –

Massachusetts

New Jersey

New York

Pennsylvania

*State revenue
departments
approaches to
transfer pricing*

Department of Revenue transfer pricing strategies

Increasing scrutiny through standard audit

Outsourcing to 3rd party auditor

Both can be difficult to implement

Issues with transfer pricing audit conducted by state auditors

888 results for Transfer Pricing Manager

Sort by Relevance ▾

Transfer Pricing Manager

True Group LLC

Oak Brook, IL • Oct 13, 2015

Similar

BDO

Transfer Pricing Manager

BDO USA, LLP

New York NY • Oct 19, 2015

Similar

KPMG

Manager, Transfer Pricing

KPMG US

Similar

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Similar

Issues with third-party auditors



Case studies in state transfer pricing—Massachusetts and Washington, D.C.

Massachusetts—State

Massachusetts—Other Issues at Audit

-
-
-
-
-
-

Inc. v. Commissioner

E.g., Tenneco

District of Columbia—Contingent Fee Transfer Pricing

- *Microsoft Corp. v. Office of Tax and Revenue*

BP Products North America Inc. v. District of Columbia

Shell, Hess, and Exxon

Multistate Tax Commission – ALAS Program

Multistate Tax Commission ("MTC")

Multistate Tax Commission

Multistate Tax Commission

Pre-audit, audit, and appeal considerations

Pre-audit: Documentation Requirements

Pre-audit: Documentation

Common Pitfalls

Audit and Litigation Strategies

-
- - *increased*
 -
 - *E.g., Tenneco Inc. v. Commissioner*
 -
 -

-
-

Other State Tax Reform Topics

Multistate Bills in Congress

State Tax Reform Themes (beyond transfer pricing)

Supreme Court to Revisit *Quill*?

*Direct Marketing Association v Brohl, Exec
Dir, Colorado Dept of Revenue*

Quill

Quill

Alabama Wants to Test *Quill*

2010-02-09 09:00:00 Proposed amendments for Certified Out-of-State Sellers Making Notification Statements into Alabama. (NEW RULE)

provisions of Rule 210-6-2-.09(1), entitled Seller's (1). Notwithstanding the provisions of Rule 210-6-2-.09(1), the provisions of Rule 210-6-2-.09(1) shall not apply to out-of-state sellers who are not required to collect and remit sales and use tax on sales made into Alabama for sales and use tax purposes and are not required to register for a license to collect and remit tax pursuant to Section 40-23-87, Code of Alabama 1975, when the total sales of tangible personal property sold into the state exceed \$250,000 per calendar year and the seller conducts one or more of the activities described in Section 40-23-66, Code of Alabama 1975.

(a) Using the collecting, reporting and remitting provisions of Article 2, Chapter 20 of Title 40, Code of Alabama 1975 in compliance with the following methods:

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Washington too (maybe) ...
(HB 2224)

What are other
states doing to grab
more sales tax
collectors?

USSC and

*Are multistate
tax matters
moving
forward?*

50th Anniversary of Willis Comm'n Report

A few tidbits from the Willis Comm'n report

C. Meier Defects Deriving the System
of State transition as it... It has been found that the present system

**Summary,
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Next steps – multistate taxation
