

Federation of Tax Administrators
Annual Meeting
June 17, 2015

Multi-State Tax Update

Helen Hecht - Multistate Tax Commission

Marilyn Wethekam, Horwood Marcus & Berk, Chartered

Nexus

- *Southwestern Bell Co. v. DOR* – MO S. Ct. (1/15)
- *ConAgra v. Comptroller of Treasury* – MD Tax Ct. (2/15)
- *Staples, Inc. v. Comptroller of Treasury* - (MD Tax Ct. 5/15)

Residency Issues

- *Burton v. N.Y. State Dep't of Taxation & Fin.* -NY Supreme Court (1/14).
- *Caprio v. N.Y. State Dep't of Taxation & Fin.* - NY Appellate Division (4/14).
- *Hillenmeyer v. Cleveland Bd. of Review* - Ohio S. Ct. (4/15).

Combined Reporting – Unitary Analysis

- *Knowledge Learning Center v. NY – NY TAT (9/14)*
- *AIG v. Vermont Dept. of Taxes – Superior. Ct. (7/14)*
- *Harley-Davidson Inc. v. FTB – CA App. Ct. (5/15)*

Addback Statutes – Business Purpose/Economic Substance

- *NIHC v. Comptroller* – MD Ct. of App. (8/14)
- *PPL Electric v. Div. of Taxation* – NJ Tax Ct. (10/14)
- *Morgan Stanley v. Div. of Taxation* – NJ Tax Ct. (10/14)

Apportionment Issues

- Sales Factor General
 - *Hallmark Marketing v. Combs* – TX Ct. of App. (11/14)
- Throw out and Throw back
 - *Lorillard Licensing Co.* – NJ Tax Ct. (1/14)

Apportionment Issues

- Cost of Performance / Market-based Sourcing
 - *Powerex Corp. v. DOR* – OR S. Ct. (4/15)
 - *Cable One v. Idaho St. Tax Com.* – ID S. Ct. (10/14)

Apportionment Issues

- Alternative Apportionment
 - *CarMax v. SC DOR* – SC S. Ct. (12/14)
 - *Vodafone v. TN* – TN Ct. of App. (6/14)

Apportionment Issues

- Multistate Compact Issues
 - *IBM* – MI S. Court
 - *Lorillard Tobacco* – MI Ct. of App.
 - *Graphic Packaging* – TX Travis County
 - *Kimberly Clark* – MN Tax Ct.

Miscellaneous

- *United Parcel Service* – NJ Supreme Court (12/14)
- *AT&T Corp. v. MS DOR* – MS Chancery Ct. (3/15)

Qui Tam Actions

- New York: FCA statute expressly applies to tax
 - *People v. Sprint Nextel Corp.*
 - *State of New York ex rel David Danon v. Vanguard Group*

Qui Tam Actions

- Illinois: Whistleblower law firms have been very active in this state.
 - 60 plus Nexus cases
 - 450 plus Shipping and Handling cases
 - Liquor Tax cases
- Class Actions v. FCA/Qui Tam
 - Papa Johns Pizza

Questions?