

SEATA

Southeastern States Update

Southeastern States Update - Alabama

- VFJ Ventures- taxpayer challenge to Alabama's "add-back" statute disallowing deductions for certain intangible expenses paid to a related member

Southeastern States Update - Arkansas

- S.B. 509- Income tax withholding on distributive share income from certain pass through entities to nonresident owners/members

Southeastern States Update - Florida

- *Crescent Miami Center, LLC* - Florida Supreme Court strikes “documentary stamp tax” where no consideration was paid or given.
- Senate Bill 1300 - Corporate Income Tax Refund Claims- estimated payments deemed paid when return is required to be filed, including extensions

Southeastern States Update - Florida (continued)

- Senate Bill 2070 - Repeal of substitute communications systems tax
- Senate Bill 2348 – Reduction in Intangibles Tax Rate

Southeastern States Update - Georgia

- H.B. 191 - Intangible expense add-back provision; Single Factor Gross Receipts Apportionment
- H.B. 488 - Update of IRC to 1/1/05; amends § 48-7-21 relating to expenses attributable to non-taxable income; change in CIT nexus standard to include “deriving income from sources within this state”

Southeastern States Update - Kentucky

- House Bill 272
 - Corporate Tax Provisions
 - License Tax
 - Intangible Property Tax

Southeastern States Update - Louisiana

- *Bridges v. AutoZone Props., Inc.* - Louisiana has authority to exercise jurisdiction to tax nonresident shareholder's investment income
- House Bill 679 - Louisiana Headquarters and Growth Act
- House Bill 627 - Angel Investor Tax Credit

Southeastern States Update - Louisiana (continued)

- House Bill 795 - makes businesses considering moving out of state eligible for temporary exemption from local taxes.
- House Bill 888 - eliminates corporate tax deduction for dividends paid to certain owners of REITs

Southeastern States Update - Mississippi

- S.B. 3009 - Gain recognition; Liquidation of Certain Assets.
- House Bill 3 (proposed) – Tax Incentives

Southeastern States Update - North Carolina

- *A&F Trademark, Inc. v. Tolson*
- DOR Directive PD-04-02 - investment partnerships
- Computer Manufacturing Credit
- Tax Incentive Challenges
- Proposed SB 622
 - Update IRC
 - Corporate tax rate reduction
 - Throw-out rule
 - Property factor throw-out of outer jurisdictional property

Southeastern States Update - South Carolina

- H. 3007, R. 44; Act #41 – Individual income tax rate reduction for active trade or business income
- H. 3767, R. 188 - Interest Addback
- H. 3768, R. 150 - IRC Conformity; Dividend Allocation
- H. 3006, R. 207 - SC 2005 Job Creation Act

Southeastern States Update - Tennessee

- Tennessee Legislation - Overview of 2005 Enactments
 - IRC Sec 199 Decoupling
 - Excise Tax Deduction for Certain Charitable Donations
 - Annual Franchise Tax Capped for Manufacturers
 - Franchise Tax Proration Codification
 - Sales and Use Tax

Southeastern States Update - Tennessee (continued)

- Tennessee Legislation - Overview of 2004 Enactments
 - Royalty Expense Identification
 - Elimination of Deduction for Investment in other Tennessee Taxpayers
 - Elective Consolidated Franchise Tax filing Methodologies

Southeastern States Update - Tennessee (continued)

- Recent Judicial Authority
 - *Pfizer v. Ruth Johnson*
 - *Sodexo Management, Inc. v. Ruth Johnson*
 - *Dillard National Bank v. Ruth Johnson*

Southeastern States Update - Virginia

- General Motors Corporation v. Commonwealth - regulation was inconsistent with Virginia Code in limiting the costs of performance used to apportion income of a financial corporation to direct costs