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PREMIER STATE TAX LIBRARY

The most practitioner-focused state tax analysis available.

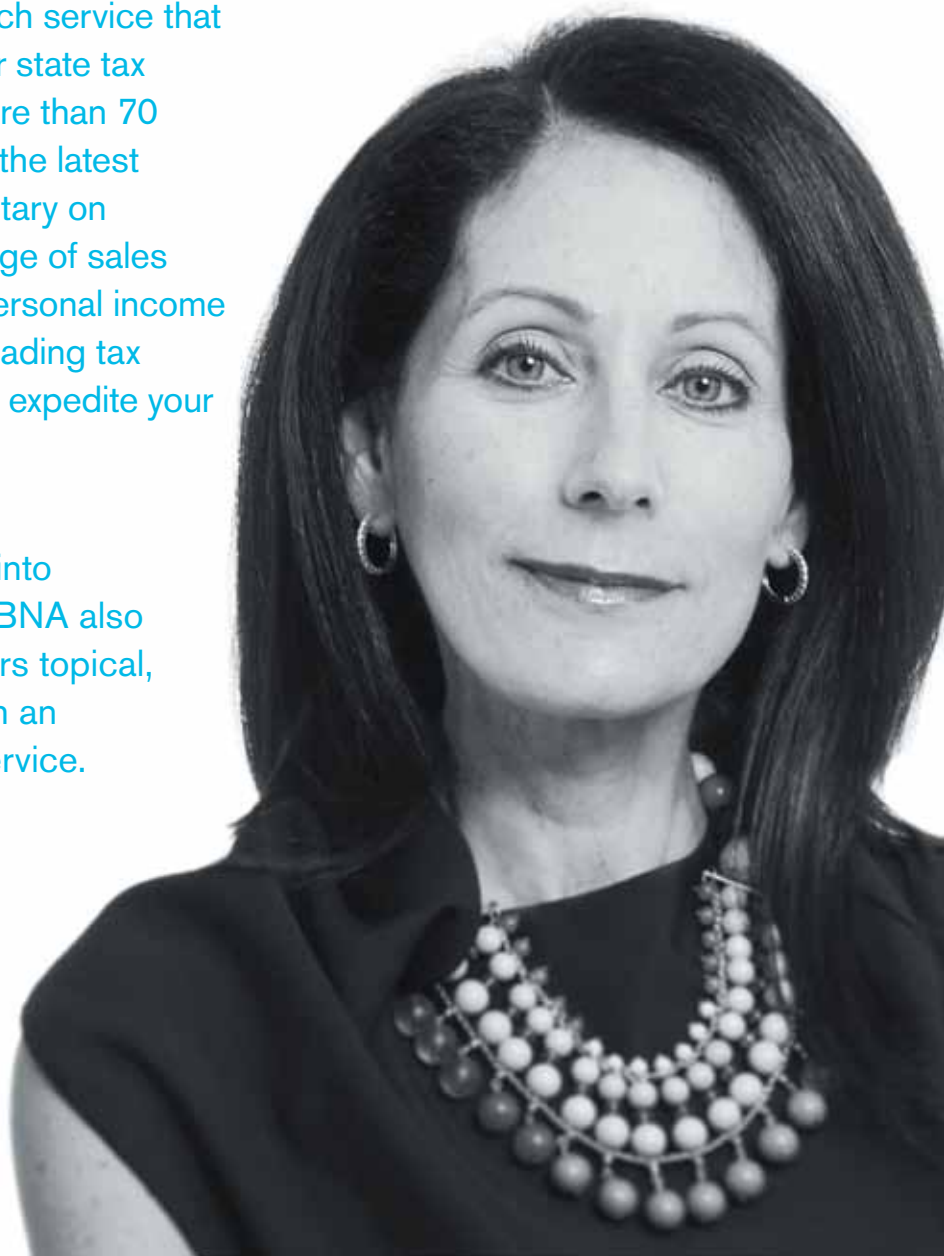
For more information, call 800.372.1033 or visit www.bna.com/statetax

States are aggressively enforcing their tax codes to cover widening budget gaps in the wake of one of the nation's worst recessions. At the same time, many jurisdictions are revamping their tax laws to more closely align them with a technology-driven, service-based economy. Identifying and complying with the new state tax rules emerging from this shifting legal landscape has never been more important.

Bloomberg BNA's *Premier State Tax Library* gives you a comprehensive research service that features in-depth analysis on major state tax issues — including nexus — in more than 70 Portfolios. What's more, you'll get the latest news and developments; commentary on emerging trends; extensive coverage of sales and use, corporate income, and personal income taxes; ongoing discussions with leading tax experts; and new chart builders to expedite your research.

Unlike other services that only compartmentalize their coverage into individual state silos, Bloomberg BNA also analyzes each state's tax and offers topical, expert analysis, providing you with an unparalleled state tax research service.

LYNN GANDHI
Partner,
Honigman Miller Schwartz and
Cohn LLP
Co-author, *Michigan Business Tax*,
(Portfolio 2150)



PREMIER STATE TAX LIBRARY

Bloomberg BNA's *Premier State Tax Library* is your single source for in-depth analysis, primary source documents, practice tools, and more.

Expert Analysis

More than 70 Portfolios provide practical analysis for developing and implementing complex state and multi-state tax strategies.

The State Tax Portfolios cover:

- Business Credits and Incentives
- Business Entities and Transactions
- Compensation and Benefits
- Corporate Income Taxes
- Limitations on Authority to Tax
- Other Taxes such as Gross Receipts, Property Taxes, and Environmental Taxes
- Personal Income Taxes
- Procedure and Administration
- Registering to do Business
- Sales and Use Taxes
- Special Industries
- Specific States

Practice Tools

Time-saving practice aids include:

- *Sales & Use Tax Chart Builder*
- *Sales & Use Tax Rate Finder*
- *Sales & Use Tax Forms**
- Tables, Charts, and Lists
- Working Papers (sample plans, documents, and more)
- State Tax Forms*
- *State Tax Nexus Tools**
- *Green Incentives Navigator**

Source Documents

You'll find only the most accurate, official sources cited here:

Laws and Regulations

- State Tax Statutes
- State Tax Regulations

Agency Documents

- State Tax Rulings and Official Material

Cases

- State Tax Court Cases

News and Commentary

- *Sales & Use Tax Monitor*
- *BNA Insights*
- *State Tax Legislation Monitor*

- *State Tax Regulation Monitor*
- *Weekly State Tax Report*
- *State Tax Special Reports*

Navigators

Offering easy navigation of tax subject areas through a consistent structure from state to state, our new state tax navigators' content is written by expert practitioners and combines both a topical and state-by-state approach. Easily created charts go beyond a 'yes' or 'no' answer with thorough explanations and relevant links to primary sources and further information within our core state analysis.

The *Corporate Income Tax Navigator (NEW!)* provides state-by-state comprehensive coverage of the key aspects of each jurisdiction's corporate income tax system. The content for each state addresses:

- Jurisdiction to tax or nexus
- Nexus implications of owning pass-through entities
- Computation of taxable income
- Allocation and apportionment
- Group taxation
- Pass-through entities
- Due dates and filing requirements
- Limitations and enforcement provisions
- Protest and appeal procedures
- Unclaimed property

The *Individual Income Tax Navigator (NEW!)* provides state-by-state comprehensive coverage of the key aspects of each jurisdiction's individual income tax system. The coverage for each state addresses:

- Taxable persons
- Computation of taxable income
- Tax treatment of residents and nonresidents
- Due dates and filing requirements
- Limitations and enforcement provisions
- Protest and appeal procedures

The *Sales & Use Tax Navigator* is organized by state and ties together detailed tax rules, expert practitioner-authored explanations, and primary source materials to provide complete authoritative guidance to help you plan and resolve complex state-specific tax issues. The *Sales & Use Tax Navigator* includes tax rates, taxable base, taxation of service, bundled transactions, filing requirements, taxation of leases, and much more.

* Optional

BLOOMBERG BNA TAX AND ACCOUNTING CENTER

Your single, comprehensive source for state tax research.

The screenshot shows the Bloomberg BNA Tax and Accounting Center website. The top navigation bar includes links for 'MY HOME PAGE', 'ABOUT', 'GETTING STARTED', 'CONTACT US', 'MY FOLDERS', 'PREFERENCES', 'SITE MAP', 'HELP', and 'SIGN OUT'. Below this is a search bar with 'SEARCH HISTORY', 'SAVED SEARCHES', and 'SAVED CHARTS' options. The main navigation menu features tabs for 'Federal', 'Daily Tax Report', 'Estate Planning', 'State', 'Sales & Use', 'International', 'Transfer Pricing', 'Accounting', 'Tax Practice Series', 'Payroll', and 'More Practice Areas'. The 'State' tab is selected, and a sub-menu for 'Sales & Use' is visible. The main content area is divided into several sections: 'U.S. Income Portfolios Library' (1), 'TAX FORMS', 'PRACTICE TOOLS' (1), 'State Tax Chart Builders' (1), 'State Tax Nexus Tools', 'SOURCE DOCUMENTS', 'EXPERT ANALYSIS' (3), 'List of Portfolios/Chapters' (4), 'State Tax Portfolios [Indexes: Keyword | by State]', 'Corporate Income Tax Navigator', 'Individual Income Tax Navigator', 'Sales & Use Tax Navigator', 'Sales & Use Tax Portfolios [Indexes: Keyword | by State]', 'Green Incentives Navigator', 'FAVORITE COLLECTIONS', 'DAILY TAX REPORT', 'Daily Tax Report Home', and 'NEWS & COMMENTARY' (5). The 'NEWS & COMMENTARY' section lists various reports and updates, including 'Florida: Governor Unveils Plan to Cut Corporate Income, Tangible Personal Property Taxes' and 'California: Lawmakers to Examine Suspended Sales Tax Exemption in Wake of Solyndra Bankruptcy'.

1 Access expert tools for your practice including our robust Corporate Income Tax, Individual Income Tax, and Sales & Use Tax chart builders.

2 A separate tab covers all your Sales & Use tax research needs with Portfolios, chart builders, expert commentary, *Sales & Use Tax Navigator*, and *Sales & Use Tax Monitor*.

3 Benefit from the wealth of experience and knowledge of Bloomberg BNA's vast network of state tax practitioners.

4 Find expert analysis on anything you need quickly by keyword or state.

5 Access ongoing news and insights from leading state practitioners and our award-winning editors and reporters, who keep you informed of the latest state tax rules and regulations, interpretations, and court rulings.

STATE TAX PORTFOLIOS

MULTISTATE APPROACH

Bloomberg BNA provides a unique multistate approach for a comprehensive comparing and contrasting of individual states' tax laws and case-by-case interpretations.

State Tax Portfolios: Limitations on Authority to Tax

2. States' Reactions to Geoffrey

Although it is impossible to predict the net result the Geoffrey opinion will have on state policy regarding int tax nexus, it is clear that the decision has already had a noticeable impact.

a. States that do Not Require Physical Presence

A number of states are aggressively proceeding on the view that nexus for taxation of income from intangibles does not require physical presence in the state.

(1) Arkansas

In Ark. Regs. 1996-3, ^{58.1} the Department of Finance and Administration determined that the allocation and apportionment provisions in its regulations did not fairly represent the extent of business activity in Arkansas passive intangible holding companies. As a result, Regs. 1996-3 provides that "[a] corporation which owns, licenses or manages intangible property has nexus with Arkansas for purposes of filing a corporate income tax return when the corporation seeks the benefit of economic contact with Arkansas by directing its economic activity at this State through the licensing of these intangibles in an intragroup intangible licensing transaction."

PRIMARY SOURCES

The State Tax Portfolios give you analysis and guidance from more than 100 leading state tax pros on every major topic and transaction, and provide links to relevant statutes and full text of primary sources.

A. Federal Conduit Treatment Generally Recognized

As noted above, most state tax laws provide that partnerships themselves are not subject to the normal state taxable with respect to their distributive shares of partnership items of income, gain, loss, deduction, and credit computing partnership items as are applied at the federal level, subject to modifications to reflect differences to particular items (for example, depreciation allowances and net operating loss provisions).² As under federal character when passed through to the partners as though realized directly by the partners from the source.

² Colo. Rev. Stat. § 39-22-201; Mass. Gen. L. Ann. ch. 62 § 17; Neb. Rev. Stat. § 77-2727; N.Y. Tax Law § 601 Ann. § 77:14, discussed in next section.

³ Cal. Rev. & Tax. Code § 17951; Del. Code Ann. tit. 30, § 1144; 35 ILCS § 5/203(d); Mo. Ann. Stat. § 143.40 Rev., Letter of Findings No. 06-0442 (Dec. 5, 2007) (income received by two partnerships was not subject to gross that qualified as partnerships exempt from gross income tax under Indiana law, the Indiana Department of Revenue Notice (April 15, 2010), where the division requires partnerships that invested in Madoff ponzi schemes to report year of discovery).

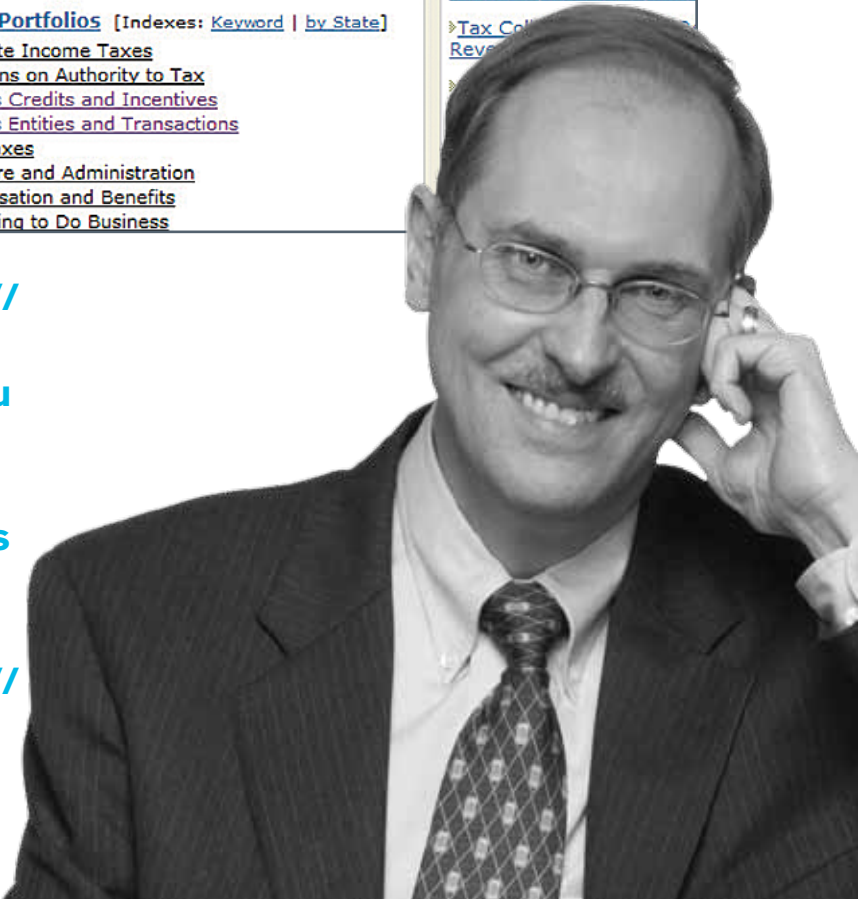
⁴ Colo. Rev. Stat. § 39-22-202(2); Mass. Gen. L. ch. 62, § 17(c); R.I. Gen. Laws § 44-30-15(b).

PINPOINT TOPICS

Our Portfolio indexes help you quickly find relevant information by keyword or state.

Expert Analysis	Authors/Advisory Board	Daily Tax Report
List of Portfolios/Chapters		Accounting: UTP Guidance Recording a Reserve, PwC
>>> State Tax Portfolios [Indexes: Keyword by State]		Tax Collection Revenue
<ul style="list-style-type: none">Corporate Income TaxesLimitations on Authority to TaxBusiness Credits and IncentivesBusiness Entities and TransactionsOther TaxesProcedure and AdministrationCompensation and BenefitsRegistering to Do Business		

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The State Tax Portfolios earn their unrivaled reputation by helping you understand and resolve complex state tax issues, offering detailed guidance and authoritative insights from leading practitioners to give you a confident advantage.
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ONLINE TOOLS

CHART BUILDERS

Corporate Income Tax. Individual Income Tax. Sales & Use Tax. Our chart builders enable you to create charts instantly on everything from apportionment and filing requirements to penalties and tax rates, and specify criteria on a state-by-state basis.

Topic	Conformity to I.R.C. § 168(k)	Conformity to I.R.C. § 179	Conformity to I.R.C. § 179
California	California does not conform to the bonus depreciation deduction under I.R.C. § 168(k). The state uses its own depreciation schedule. [Cal. Rev. & Tax. Code §§23051.5 and 24349 . See Calif. Franch. Tax Bd., Form 3885.] RNA-STRD CA 1.3.1.2.	California uses its own depreciation schedule. [Cal. Rev. & Tax. Code § 24349(k) .] For California purposes, the maximum I.R.C. § 179 expense deduction allowed is \$25,000. This amount is reduced if the cost of I.R.C. § 179 property placed in service during the taxable year is more than \$200,000. The total I.R.C. § 179 expense deduction cannot exceed the corporation's business income. [Calif. Franch. Tax Bd., Form 3885.] RNA-STRD CA 1.3.1.3.	California provides its own depreciation schedule. [Cal. Rev. & Tax. Code § 24349(k) .] For California purposes, the maximum I.R.C. § 179 expense deduction allowed is \$25,000. This amount is reduced if the cost of I.R.C. § 179 property placed in service during the taxable year is more than \$200,000. The total I.R.C. § 179 expense deduction cannot exceed the corporation's business income. [Calif. Franch. Tax Bd., Form 3885.] RNA-STRD CA 1.3.1.3.

SALES & USE TAX RATE FINDER

Find sales and use tax rates by city, county, state, and zip code for more than 58,000 taxing jurisdictions.

Chicago City Detail				
Rates				
Type of Tax:	Taxable Amount: \$50,000.00			
Jurisdiction	Description	Rate	Effective Date	Tax
Illinois	General	6.2500%	01/01/1990	\$3,125.00
Cook	General	1.2500%	07/01/2010	\$625.00
	Transit	1.0000%	04/01/2008	\$500.00
Chicago	General	1.2500%	07/01/2005	\$625.00
Totals		9.7500%		\$4,950.00

PRACTICE TOOLS

At-your-fingertips access to the data you need, made easy with our chart builders, rate finders, and tax navigators. Choose from our Corporate Income Tax or Individual Income Tax chart builders, Sales & Use Tax chart builder and rate finder, and our optional *State Tax Nexus Tools* and *Green Incentives Navigator*.

Corporate Income Tax Nexus	Sales & Use Tax Nexus
CA NJ Nexus 2011	
Evaluator	
Start New Project	<input type="checkbox"/> Question 1: Does your company make remote sales of digital products downloaded by residents of the state?
My Projects	California
	New Jersey

Support documents include sample forms, chart builders, and instructions needed for planning and dealing with virtually any state tax transactions.

RUSSEL W. BANIGAN
 Director,
 Deloitte Tax LLP
 Author, *New York State and City Corporation Income Taxes*
 (Portfolio 2200)

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From research to implementation, we help you get the answers you need. Bloomberg BNA Tax & Accounting offers you a unique professional perspective through our State Tax Portfolios, working papers, news, and commentary — all part of the *Premier State Tax Library*.

Only Bloomberg BNA provides you with practitioner-written, expert analysis through our renowned State Tax Portfolios. In each Portfolio, you'll find a comprehensive analysis of the history and alternative ways to approach any given state tax issue.

Each Portfolio includes:

The Detailed Analysis is where the practitioner-author gets to the heart of the issue, giving you complete analysis of a tax topic, along with precise citations.

The detailed analysis covers:

- Planning opportunities
- Alternative approaches
- Pertinent Code citations
- Tax cases on point and conflicting cases
- Pitfalls to avoid

The Working Papers include all of the relevant forms, documents, and other background tools you'll need to carry out decisions, including:

- Procedural checklists
- Suggested resolutions and forms of contract
- Sample plans and clauses

To learn more, contact your Bloomberg BNA Representative at 800.372.1033 or visit www.bna.com/statetax