



# COST/OFII 2018 Forum on U.S. State and Local Taxes for Canadian Companies

Preliminary Agenda – as of 5/21/18

Sponsored By



Tuesday, June 5, 2018

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| 8:00 a.m.<br>– 5:15 p.m. | <b>Registration/Sign In</b>  |
| 8:00 – 8:30 a.m.         | <b>Continental Breakfast</b>   |
| 8:30 – 8:45 a.m.         | <p><b>Welcome &amp; Introductions</b></p> <p>Charles Drury, COST, Washington, DC<br/>Evan Hoffman, OFII, Washington, DC<br/>Fred Nicely, COST, Washington, DC</p>  |
| 8:45 – 9:15 a.m.         | <p><b>Overview of U.S. Taxes – State Income, Sales, Use and Other State Taxes</b></p> <p><i>In this session, the speakers will briefly provide attendees with a basic overview of the U.S. state and local tax system that brings in the revenue the states need to operate. This overview will provide attendees with the framework of the tax systems and an understanding how the different taxes relate to each other. A brief comparison of the states' revenue generation from taxes to that of the provinces will also be made. Finally, the speakers will explore, from a tax policy perspective, today's environment for international companies in the United States, whether these taxes affect the competitiveness of Canadian companies, and how today's environment in the United States affects these issues.</i></p> <p>Speakers:<br/>Evan Hoffman, OFII, Washington, DC<br/>Robert Peters, Duff &amp; Phelps*, Chicago, IL<br/>Todd Roberts, PwC*, Denver, CO</p> |
| 9:15 – 10:15 a.m.        | <p><b>State Taxes – Jurisdictional Nexus/Constitutional Limitations</b></p> <p><i>Before a state can impose its tax on a corporation, the corporation must have “substantial nexus” with the state. In this session, the speakers will discuss the different nexus standards that apply to state taxes and how many states are aggressively asserting nexus over businesses with no physical presence (employees or property) in the state. The implications of a pinnacle case, <u>South Dakota v. Wayfair</u>, which is pending before the U.S. Supreme Court and was heard by the Court on April 17, 2018, will be also addressed. Differences and nuances between the states' nexus standards will also be covered. Discussion will focus on questions to ask before entering a state and issues to explore before starting operations.</i></p> <p>Moderator:<br/>Pat Reynolds, COST, Washington, DC</p>   |

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|                    | <p>Speakers:<br/>Breen Schiller, Horwood Marcus &amp; Berk*, Chicago, IL<br/>Kent Johnson, KPMG, Seattle, WA</p>  |
| 10:15 – 10:30 a.m. | <b>Refreshment Break &amp; Networking</b>   |
| 10:30 – 12:00 p.m. | <p><b>State Income Taxes – Methods of Reporting/Filing Tax Returns/Apportionment and the Impact of the U.S. Federal Tax Reform</b></p> <p><i>Determining what portion of an entity’s income is includable in a state return is always a challenge. In this session, the speakers will explore numerous concepts which underlie the imposition of taxes by states in the U.S. Speakers will cover methods used by the states to apportion/allocate an entity’s income. Among the concepts and methods that will be covered are: corporate apportionment – including the single sales factor, and methods for sourcing income – including market based sourcing and cost of performance. The presenters will include a discussion of the recently passed U.S. Federal Tax Legislation and how it impacts the states’ taxing regimes.</i></p> <p>Speakers:<br/>Jeremy Abrams, Reed Smith*, Washington, DC<br/>Todd Roberts, PwC*, Denver, CO</p> |
| 12:00 – 1:00 p.m.  | <b>Lunch</b>  |
| 1:00 – 2:00 p.m.   | <b>State Income Taxes – Methods of Reporting/Filing Tax Returns/Apportionment and the Impact of the U.S. Federal Tax Reform (cont...)</b>   |
| 2:00 – 3:30 p.m.   | <p><b>State Sales and Use Taxes</b></p> <p><i>The speakers in this session will provide attendees with an understanding of sales and use taxes: when they are imposed, how they are imposed and concepts such as exclusions, exemptions, the Streamlined Sales Tax Project (SSTP), and new economy concepts such as digital goods and cloud computing.</i></p> <p>Speakers:<br/>Dustin Jensen, Duff &amp; Phelps*, Dallas, TX<br/>Breen Schiller, Horwood Marcus &amp; Berk*, Chicago, IL</p>   |
| 3:30 – 3:45 p.m.   | <b>Refreshment Break &amp; Networking</b>   |
| 3:15 – 3:45 p.m.   | <p><b>State Taxes – Payroll Taxes and Withholding Tax Issues</b></p> <p><i>In this session, speakers will cover a variety of payroll and withholding tax issues that you need to be aware of not just at the state level, but often at the local level as well.</i></p> <p>Speaker:<br/>Nicole Johnson, Morrison &amp; Foerster*, New York, NY<br/>Pat Reynolds, COST, Washington, DC</p>   |
| 3:45 – 5:15 p.m.   | <p><b>State Taxes - Handling Disputes</b></p> <p><i>Taxpayers with a thorough understanding of the U.S. state tax system realize that much of the system/methodology is open to interpretation. States and taxpayers frequently disagree on that interpretation, resulting in assessments, appeals and litigation. In this session, speakers will provide “best practices” for handling audits, assessments and appeals. Speakers will also identify “hot” issues in major states and suggestions and tactics for resolving those issues.</i></p> <p>Speakers:<br/>Jeremy Abrams, Reed Smith*, Washington, DC<br/>Scott Clark, Dentons US*, New York, NY<br/>Nicole Johnson, Morrison &amp; Foerster*, New York, NY</p>   |
| 5:15 – 6:45 p.m.   | <p><b>Reception &amp; Networking</b></p> <p><i>Now that your brain is filled with current information on the tax requirements and risks of doing business in the U.S., reward your hard work with cocktails, lots of delicious food and good conversation. Share your thoughts and experiences from the first full day with others and gain new perspectives.</i></p>   |



**Wednesday, June 6, 2018**

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| 8:00 – 3:00 p.m.   | <b>Registration/Sign In</b>   |
| 8:00 – 8:30 a.m.   | <b>Continental Breakfast &amp; Networking</b>   |
| 8:30 – 8:35 a.m.   | <b>Day 2 - Welcome &amp; Introductions</b>  |
| 8:35 – 9:30 a.m.   | <p><b>State Taxes – Gross Receipts Taxes, Property Taxes, and Other Misc. State and Local Taxes</b><br/> <i>In this session, speakers will cover a variety of other taxes imposed by states, and local governments, and provide guidance to keep you out of trouble.</i></p> <p>Speakers:<br/>           Fred Nicely, COST*, Washington, DC<br/>           Robert Peters, Duff &amp; Phelps*, Chicago, IL</p>   |
| 9:30 – 10:30 a.m.  | <p><b>Credits and Incentives – Don't Leave Money on the Table</b><br/> <i>Good or bad times, the states and their local governments offer credits and incentives to encourage businesses to locate, expand or not leave a state. This session will give you tips on knowing about those credits/incentives, obtaining them, keeping them and how to best address situations when required targets for a credit/incentive are not met.</i></p> <p>Speaker:<br/>           Alex Leath, Bradley Arant Boult Cummings*, Birmingham, AL<br/>           Ulrich Schmidt, KPMG*, Philadelphia, PA</p>   |
| 10:30 – 10:45 a.m. | <b>Refreshment Break &amp; Networking</b>   |
| 10:45 - Noon       | <p><b>Practical Application of the Concepts Covered</b><br/> <i>In this session, attendees will actively apply concepts discussed in earlier sessions. Actual compliance issues and the associated tax forms and returns that need to be filed will be covered and ways to minimize problems that can arise will be discussed. Active participation is encouraged so attendees should come prepared to ask questions. The speakers will address a case study that involves both income tax and sales and use tax concepts focusing primarily on three states: California, Michigan and New York. The discussion will utilize concepts covered in earlier sessions providing attendees with an opportunity to observe their application to a real-world situation. The speakers will also cover the procedures and best practices to follow when entering into Voluntary Disclosure Agreements with the various states.</i></p> <p>Speakers:<br/>           Nicole Johnson, Morrison &amp; Foerster*, New York, NY<br/>           Marilyn Wethekam, Horwood Marcus &amp; Berk*, Chicago, IL</p>              |
| 12:00 – 1:00 p.m.  | <b>Lunch and Networking</b>   |
| 1:00 – 3:00 p.m.   | <p><b>Ask The Experts</b><br/> <i>Really? Free advice from practitioners? That's right! This is your chance to question practitioners and get their views on various U.S state and local tax issues. The panel will discuss how to deal with U.S state and local tax authorities on an ongoing basis – including how to get guidance (e.g., rulings), make voluntary disclosures and manage overall risk. Most importantly, the panel will respond to all of your questions so PLEASE come prepared to ask questions – either from the floor, or submit them to COST ahead of time and we'll ask them for you. Finally, the panel will address trends they expect to see in 2018 and beyond, including some of the new and evolving U.S state and local interpretations, focusing on both direct and indirect taxes as well as activities that trigger tax obligations in the U.S.</i></p> <p>Moderator:<br/>           Douglas Lindholm, COST, Washington, DC<br/>           Panelists:<br/>           Jeremy Abrams, Reed Smith*, Washington, DC<br/>           Scott Clark, Dentons US, New York, NY</p> |

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|           | Nicole Johnson, Morrison & Foerster*, New York, NY<br>Alex Leath, Bradley Arant Boult Cummings*, Birmingham, AL<br>Robert Peters, Duff & Phelps*, Chicago, IL<br>Todd Roberts, PwC*, Denver, CO<br>Ulrich Schmidt, KPMG*, Philadelphia, PA<br>Marilyn Wethekam, Horwood Marcus & Berk*, Chicago, IL |
| 3:00 p.m. | <b>Adjourn and Thank You</b>  |