



**COST and OFII Present the
2018 Forum on U.S. State and Local Taxes for European Companies
May 2 – 3, 2018
London, England**

This Workshop is sponsored by:



Schedule of Events (Updated 4/23/18)

Wednesday - May 2, 2018	
8:00 – 8:30 a.m.	Registration/Sign In Continental Breakfast & Networking
8:30 – 8:45 a.m.	Welcome & Introductions Doug Lindholm, COST, Washington, DC Aaron Brickman, OFII, Washington, DC Charles Drury, COST, Washington, DC
8:45 – 10:00 a.m.	Overview of U.S. Taxes – Federal, State Income, Sales and Other State Taxes/Comparison to European Tax Systems and Their Impact on the Competitiveness of European Companies <i>In this session, the speakers will provide attendees with a basic understanding of the U.S. tax system and its comparison to the European tax systems. The speakers will discuss the relatively greater reliance in the U.S. on income and property taxes as compared to consumption taxes. The panel will also focus on the larger share of taxes imposed at the state and local level in the U.S. as compared with Europe. The speakers will also highlight key differences between taxes imposed in the U.S. at the federal level and the state and local level, as well as important linkage between the two systems. 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 European companies, and how today's environment in the United States affects these issues.</i> Moderator: Doug Lindholm, COST, Washington, DC Speakers: Alexander Baulf, Grant Thornton*, London, UK Evan Hoffman, OFII, Washington, DC Jason Wyman, Deloitte*, Chicago, IL
10:00 – 10:15 a.m.	Refreshment Break & Networking
10:15 – 11:45 a.m.	U.S. Federal Tax Reform and What It Means for the States <i>The Tax Cuts and Jobs Act (federal tax reform) passed in late 2017 makes the most significant changes to U.S. federal tax law in more than 30 years. Highlights of federal tax</i>

	<p><i>reform include a 40 percent reduction in corporate income taxes; a sharp limitation on the abilities of companies to deduct interest payments; the conversion of the U.S. from its historic worldwide system of taxation to a territorial one; and the dramatic imposition of new provisions designed to favor domestic commerce over foreign commerce and leapfrog the U.S. past many of the reforms included in the OECD BEPS project. Now it's the states' turn and this panel will discuss the emerging trends (and differences) among the states in conformity and non-conformity with the key provisions of federal tax reform. In particular, the panelists will discuss the impact on both inbound and outbound companies of changes in state income tax laws relating to expensing investments, deducting interest, managing intangibles, and taxing foreign source income (e.g. GILTI, BEAT and deemed repatriation). The panel will explain how state conformity with federal tax reform will result in a large increase in state corporate income taxes, the opposite outcome as that occurring at the federal level.</i></p> <p>Moderator: Karl Frieden, COST, Washington, DC</p> <p>Speakers: Charlie Fischer, Deloitte*, St. Louis, MO Jamie Yesnowitz, Grant Thornton*, Washington, DC</p>
11:45 a.m. – 12:45 p.m.	Lunch & Networking
12:45 – 2:00 p.m.	<p>State Income Taxes – Understanding the Concepts of Apportionment and Sourcing <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. How the states look at intercompany transactions compared to BEPS will also be discussed.</i></p> <p>Moderator: Nikki Dobay, COST, Portland, OR</p> <p>Speakers: Mitchell Newmark, Morrison Foerster*, New York, NY Jeffrey Vesely, Pillsbury Winthrop Shaw Pittman*, San Francisco, CA</p>
2:00 – 3:00 p.m.	<p>State Income Taxes – Methods of Reporting/Filing Tax Returns <i>In the U.S., states require or permit corporations to file their tax returns under a variety of filing options. Some states only allow corporations to file on a separate company basis. Others require that companies file on a combined worldwide basis while allowing a "water's edge" election. Still others only allow a "water's edge" combined filing for corporations. All of these filing methods depend upon the laws of each particular state. In this session, the speakers will explore the filing methods the states use, focusing primarily on the different methods of combined reporting the states use and introducing the concept of the unitary business principle. The UK-US Treaty will also be discussed as it, too, can impact a corporation's filing methodology.</i></p> <p>Moderator: Pat Reynolds, COST, Washington, DC</p> <p>Speakers: Mitchell Newmark, Morrison Foerster*, New York, NY Namrata Vyas, EY*, London, UK</p>
3:00 – 3:15 p.m.	Refreshment Break & Networking
3:15 – 4:15 p.m.	State Taxes – Constitutional Limitations on the State's Jurisdiction to Tax Businesses and Certain Types of Business Income

	<p><i>In this session, the speakers will discuss the different jurisdictional (“nexus”) standards that apply to determining whether a state can impose an income or sales tax on a business. The panel will compare the “nexus” rules used by the states in the income tax sphere with “permanent establishment” rules used by European countries. The panel will discuss the groundbreaking <i>Wayfair</i> case now before the U.S. Supreme Court which may upend decades of reliance on the “physical presence” standard for sales and use tax collection responsibilities. The speakers will also lay out the constitutional challenges that will arise from state conformity to new federal tax reform provisions that tax the income of foreign subsidiaries of U.S. companies. Finally, the speakers will focus on the practical aspects of a foreign business entering a state and what questions need to be answered to determine liability for income and sales and use taxes.</i></p> <p>Moderator: Karl Frieden, COST, Washington, DC</p> <p>Speakers: Laurence Cusack, KPMG*, Philadelphia, PA Kyle Sollie, Reed Smith*, Philadelphia, PA</p>
4:15 – 5:15 p.m.	<p>State Taxes - Handling Disputes <i>Taxpayers with a thorough understanding of the U.S. state tax system realize that much of the system / methodology is open to interpretation. As a result, states and taxpayers frequently disagree on that interpretation, resulting in assessments, litigation and appeal. 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>Moderator: Doug Lindholm, COST, Washington, DC</p> <p>Speakers: Scott Brandman, Baker McKenzie*, New York, NY Annie Huang, Pillsbury Winthrop Shaw Pittman*, San Francisco, CA</p>
5:15 – 6:30 p.m.	<p>Reception & Networking <i>Now that your brain is filled with the most 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>
Thursday - May 3, 2018	
8:00 – 8:30 a.m.	Continental Breakfast & Networking
8:30 – 8:35 a.m.	Welcome & Introductions
8:35 – 9:45 a.m.	<p>State Sales and Use Taxes – No ... they are not VATs <i>The speakers in this session will offer an introduction to state sales and use taxes. Since most European tax practitioners are familiar with value added taxes (VATs), the panelists will compare and contrast state and local sales taxes to VATs. They will address the differences among the states in sales tax bases, the treatment of business inputs, and the various sales and use tax administrative rules relating to local taxation, exemptions, audits, refunds, and appeals. The panelists will explore the fast-growing and complex sales taxation of digital products. Finally, they will discuss the Streamlined Sales Tax Project, a joint effort of taxpayers and the states to create more uniform sales tax administration rules.</i></p> <p>Speakers: Pat Reynolds, COST, Washington, DC Aaron Young, Reed Smith*, New York, NY</p>
9:45 – 10:00 a.m.	Refreshment Break & Networking

10:00 – 11:15 a.m.	<p>State Taxes – Excise Taxes, Property Taxes and More <i>In this session, speakers will cover a variety of other taxes imposed by states. These include: payroll taxes, business license taxes, property taxes and gross receipts taxes. Unclaimed property holder reporting will also be discussed.</i></p> <p>Speakers: Nikki Dobay, COST, Washington, DC Mark Loyd, Bingham Greenebaum & Doll*, Louisville, KY</p>
11:15 a.m. – 12:15 p.m.	<p>Credits and Incentives <i>Many states and localities offer incentives to attract or retain businesses within their localities. The speakers in this session will give an overview of these opportunities for new and expanding U.S. business ventures, and how to maximize state credits and incentives for your U.S. investments. They will discuss how taxpayers can take advantage of these opportunities, gain some of the benefits and then, how to retain those benefits when the jurisdictions try to “claw back” the benefits.</i></p> <p>Speakers: Christopher Grissom, Bradley Arant Boult Cummings*, Birmingham, AL Brian Smith, EY*, Chicago, IL</p>
12:15 – 1:15 p.m.	<p>Lunch and Networking <i>Join us for a final lunch for an opportunity to continue interacting with the other attendees you’ve met over the past day and a half. The Experts from the previous sessions will also attend the lunch, so feel free to continue discussing issues from those sessions or to raise any other issues that are important to you or your company.</i></p>
1:15 – 2:15 p.m.	<p>Practical Application of the Concepts Covered <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: Laurence Cusack, KPMG*, Philadelphia, PA David Pope, Baker & McKenzie*, New York, NY</p>
2:15 – 3:15 p.m.	<p>Ask The Experts <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 the advantages of doing so, and managing overall risk. They will then discuss what to expect during a U.S state and local tax audit – from audit, through administrative hearings, and to Court, and how your strategy may vary depending upon the tax in issue, the jurisdiction involved, and the issue in dispute. When you should engage assistance from a practitioner will also be discussed. 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 a company being subject to tax in the U.S.</i></p> <p>Moderator: Doug Lindholm, COST, Washington, DC</p> <p>Speakers: Mark Arrigo, Grant Thornton*, Atlanta, GA Jeffrey Bennett, Bingham Greenebaum & Doll*, Indianapolis, IN Theodore Bots, Baker & McKenzie*, New York, NY</p>

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3:15 p.m.	Conference Adjourns