AI and Digital World: Implications for SALT

Embassy Suites, Burlingame (SF), CA
March 1-3, 2027

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Monday, March 1, 2027	
12:00 p.m. – 6:15 p.m.	**Registration**
1:00 – 1:15 p.m.	**Welcome and Introductions** Fred Nicely, COST Pat Reynolds, COST
1:15 – 2:15 p.m.	**What's the Best AI Platform for SALT (Depends) and What's the Cost (Free, Tokens, etc.)** The rapid growth of artificial intelligence (AI) has created a wide range of platforms and tools that can assist State and Local Tax (SALT) professionals with research, analysis, drafting, workflow efficiency, and client service. This session will provide an overview of the leading AI platforms available to SALT practitioners and discuss the factors including costs to consider when determining which platform is best suited for specific use cases. To establish a common foundation, the session will begin with a discussion of key AI terminology and concepts, including definitions of commonly used terms such as generative AI, large language models (LLMs), prompts, tokens, hallucinations, retrieval-augmented generation (RAG), and agentic AI. Understanding these terms will help attendees navigate the AI landscape and evaluate various tools more effectively. Moderator: Speakers:
2:15 – 2:25 p.m.	**Refreshment Break/Networking**

2:25 – 3:25 p.m. 3:25 – 3:35 p.m. 3:35 – 4:35 p.m. 4:35 – 4:45 p.m 4:45 – 5:45 p.m.	**AI Agent Demos in a Corporate Tax Environment (3 Presentations/Demos)** Artificial intelligence is rapidly transforming the tax function. In these sessions, participants will experience hands-on demonstrations of AI agents operating in a corporate tax environment, showcasing how these technologies can automate workflows, analyze data, and deliver actionable insights that enable tax teams to work smarter and faster. Moderator: **Demo 1 – e.g., Legislation Tracking/Analysis** Presenters: ***Break*** **Demo 2 – e.g., Tax Research** Presenters: ***Break*** **Demo 3 – e.g., Compliance and Reserves** Presenters:
5:30– 6:30 p.m.	**Welcome Reception** Take this opportunity to start your tax networking with friends and colleagues in a casual atmosphere. Compare notes on today's presentations.
Tuesday, March 2, 2027	
7:30 a.m. – 5:20 p.m.	**Registration**
7:30 – 8:30 a.m.	**Continental Breakfast / Networking**
8:30 – 9:30 a.m.	**Navigating AI, AI Taxability, and Data Compliance/Confidentiality** As AI-powered products and services evolve, tax and compliance professionals face new challenges at the intersection of taxation, data privacy, and cybersecurity. This session examines emerging state tax issues related to AI products sold through tokens, credits, subscriptions, platforms, and other usage-based models, including how taxing authorities may characterize these arrangements and the resulting sales and use tax and sourcing implications. The session will also explore the compliance risks associated with AI adoption, including privacy, cybersecurity, vendor management, governance, and contractual safeguards. Moderator: Speakers:
9:30 – 10:30 a.m.	**The Current Status of State Taxes on Digital Commerce: Digital Advertising, Social Media, and Digital Asset Taxation** States and local jurisdictions continue to explore new ways to tax the digital economy, creating significant controversy and uncertainty for taxpayers. This session will examine the current status of digital advertising taxes, digital asset taxes, and social media fees and taxes, with a particular focus on developments in Illinois, Utah, Washington, and Chicago. Attendees will gain insight into the ongoing Maryland digital advertising tax litigation and other legal challenges that are shaping the future of state taxation of data, digital activities, and technology-driven business models. The discussion will highlight key policy trends, constitutional considerations, and practical implications for businesses navigating this evolving and highly scrutinized area of state and local taxation. Moderator: Speakers:

10:30 – 10:45 a.m.	**Refreshment Break/Networking**
10:45 – 11:45 a.m.	**Choice of Two Breakouts**
	Apportionment, Sourcing, and Intangible Asset Challenges in the Digital Economy Related to Corporate Income Taxes As artificial intelligence enables businesses to deliver services, generate revenue, and engage customers across state lines in new ways, traditional SALT rules are being tested like never before. This session will examine the nexus and apportionment implications of AI-enabled service delivery, including the sourcing of receipts from digital services, market-based sourcing challenges, and the treatment of data-driven revenue streams, advertising income, and platform-based business models. Attendees will also explore the state tax treatment of AI-related intangible assets, including proprietary algorithms, machine learning models, and the ownership and monetization of data. The discussion will provide practical guidance on distinguishing licensing arrangements from service offerings and navigating the evolving state tax landscape surrounding AI-powered businesses. Moderator: Speakers:
	Indirect Tax Challenges for Digital Products, Cloud Services, and Emerging Technologies As artificial intelligence reshapes the delivery and consumption of technology solutions, businesses face growing complexity in determining the proper indirect tax treatment of digital transactions. This session will explore why classification matters, including the distinctions among tangible personal property, services, digital goods, and AI-enabled offerings, and how those classifications drive taxability across jurisdictions. Attendees will examine key issues involving SaaS and software access models, cloud storage and cloud computing, downloads and streamed content, and digital subscription services. The discussion will also address the challenges of taxing bundled offerings that combine AI capabilities, software, data, content, and services, and provide practical guidance for managing compliance and audit risk in an evolving digital economy. Moderator: Speakers:
11:45 a.m. – 12:45 p.m.	**Lunch – Networking**
12:45 p.m. – 1:45 p.m.	**Choice of Two Breakouts**
	Global Income and States' Taxation of Foreign Earnings As businesses increasingly operate across borders and leverage AI-driven technologies, states face growing challenges in determining whether, and to what extent, foreign-source income should be subject to state taxation. This session will examine the complexities states encounter in taxing multinational enterprises, including issues involving GILTI, Subpart F income, foreign dividends, and other foreign earnings, as well as the interaction between federal international tax rules and state conformity provisions. Additionally, the session will explore how AI-enabled business models, digital operations, remote value creation, and cross-border intangible assets are reshaping traditional concepts of nexus, sourcing, apportionment, and income attribution. Moderator: Speakers:
	Digital Taxation Policy Watch: Tracking the MTC, SSTP, and NCSL Agenda As artificial intelligence and the digital age are transforming how businesses operate and how states administer taxes, policymakers and tax administrators are actively evaluating the implications for existing tax frameworks. This session will examine current and planned initiatives of the Multistate Tax Commission (MTC), the Streamlined Sales Tax Project's Digital Products Working Group, and the

	National Conference of State Legislatures (NCSL) related to the taxation of AI, digital products, data-driven services, and emerging technologies. Moderator: Speakers:
1:50 - 2:50 p.m.	**Choice of Two Breakouts**
	What Does Unitary Really Mean? Best Practices for dealing with Unitary States. The unitary business principle is a cornerstone of state corporate income taxation. This session will examine recent trends in state enforcement, common areas of controversy, and the challenges of applying unitary principles to modern business structures, including digital operations, intangible assets, and complex intercompany arrangements. Moderator: Speakers:
	Maintaining Transaction Tax Compliance: Best Practices for a Changing Landscape As transaction tax requirements continue to evolve, maintaining compliance has become increasingly complex for businesses operating across multiple jurisdictions. This session will explore best practices for managing sales and use tax compliance, including nexus monitoring, taxability determinations, exemption certificate management, technology and automation strategies, audit readiness, and governance controls. Moderator: Speakers:
2:50 – 3:00 p.m.	Refreshment Break / Networking
3:00 – 4:00 p.m.	**Choice of Two Breakouts**
	Intangibles, and IRC Section 482: Transfer Pricing Challenges As organizations increasingly deploy artificial intelligence across products, services, and internal operations, AI-related intangibles are creating new transfer pricing and IRC Section 482 challenges. This session will examine how taxpayers and tax authorities may approach the valuation, ownership, development, enhancement, maintenance, protection, and exploitation (DEMPE) of AI assets, as well as the allocation of income arising from AI-driven business models. The session will explore emerging issues involving intercompany charges for data, algorithms, AI platforms, and shared services, along with the potential for heightened scrutiny from tax authorities worldwide. Moderator: Speakers:
	Internet Tax Freedom Act – Sword or Shield? The Internet Tax Freedom Act (ITFA) has long served as a constraint on state taxation of digital commerce, but its scope and application continue to generate controversy as the digital economy evolves. This session will explore whether ITFA operates primarily as a shield protecting taxpayers from discriminatory and multiple taxation of internet-based transactions, or as a sword used to challenge state tax regimes that seek to tax emerging digital products and services. Moderator: Speakers:

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4:05 – 5:05 p.m.	**Audits and Tax Controversy in Digital World: Navigating the New State Tax Enforcement Landscape** Artificial intelligence is transforming how state tax authorities conduct audits, analyze data, and challenge taxpayer positions. This session will explore how to handle the growing use of digital evidence requests, transaction-level data analytics, and how taxpayers can proactively prepare for increasingly sophisticated audit techniques. The session will also provide practical insights into defending return positions through robust documentation, maintaining effective product taxability matrices, and supporting sourcing studies in an environment where AI-driven audit tools are becoming the norm. Moderator: Speakers:
5:05 – 6:35 p.m.	**Reception** Please join us and your fellow attendees and sponsors for an hour of socializing and discussing the past two days' sessions. Everyone is welcome!!
Wednesday, March 3, 2027	
7:30 a.m. – 5:20 p.m.	**Registration**
7:30 – 8:00 a.m.	**Continental Breakfast / Networking**
7:30 – 8:30 a.m.	**Ethics in a Digital World – New Frontiers** As technology reshapes the way businesses operate and tax professionals interact with data, ethical challenges are evolving at lightning speed. From safeguarding client information in cloud-based systems to addressing AI-driven decision-making and digital audit tools, the digital era demands a renewed focus on professional responsibility. This session explores emerging ethical issues, including confidentiality in virtual environments, cybersecurity obligations, and the implications of automation on judgment and independence. Moderator: Speakers:
8:30 – 9:30 a.m.	**California at the Center: Technology, Innovation, and the Hottest SALT Issues in the Nation** California remains the nation's leading technology hub and the focal point for many of the most significant state and local tax issues affecting technology companies. This session will examine key developments in income tax apportionment, market-based sourcing, and the taxation of digital products, SaaS, cloud computing, and other technology-driven business models. Moderator: Speakers:
9:30 – 10:30 a.m.	**Top 10 SALT and Technology Cases of 2026: Key Decisions Shaping the Digital Economy** The rapid evolution of technology continues to challenge state and local tax frameworks, resulting in significant judicial and administrative decisions with far-reaching implications for taxpayers. This session will review 10 of the most important SALT and technology cases of 2026.,. The discussion will provide practical insights into how these decisions are influencing taxability determinations, audit positions, and compliance obligations across multiple jurisdictions. Moderator: Speakers:
10:30 - 10:50 a.m.	Refreshment Break / Networking / Check Out
10:50 – Noon	**Open discussion on Digital Tax Issues, use of AI products, developments and related issues**

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	This session is open to all members of industry and practitioners to have an open dialog on the issues they are seeing in the digital tax world. Several practitioners will moderate this session. Moderator: Speakers:
Noon	**Workshop Adjourns**

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