



COST Forum on U.S. State and Local Taxes for European Companies June 22, 2023 Frankfurt, Germany

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Thursday – June 22, 2023

8:00 – 8:30 a.m.	Registration/Sign In Continental Breakfast & Networking
8:30 – 8:45 a.m.	Welcome & Introductions
8:45 – 10:00 a.m.	<p>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 - In this session, the speakers will provide attendees with a basic understanding of the decentralized U.S. tax system, with a focus on state and local taxes. 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 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 in the United States and how it impacts the competitiveness of European companies.</p> <p>Moderator: Doug Lindholm, COST</p> <p>Speakers: Michael Graf, Dentons (Frankfurt)* Mark Loyd, Dentons* Wayne Trumbull, Andersen*</p>
10:00 – 10:15 a.m.	Refreshment Break & Networking
10:15 – 11:30 a.m.	<p>U.S. and Global Tax Reform: What It Means for the States – Over the last five years, the U.S. has enacted two significant federal tax reform packages (the TCJA and IRA) with key provisions relating to the taxation of foreign source income (GILTI), a corporate alternative minimum tax, and a limitation on interest expense deductions. The panel will discuss state conformity, or lack thereof, with these new federal corporate income tax rules, with a particular emphasis on the impact on inbound companies. In addition, the OECD's Pillar One and Two global tax reforms have significant ramifications for both federal and state taxation. This panel will discuss the implications of Pillar One slowing down and Pillar Two moving forward on state digital services taxes (DSTs) and state corporate income taxes.</p> <p>Moderator: Karl Frieden, COST</p> <p>Speakers: Rob Ozmun, PwC*</p>

11:30 – 12:30 p.m.	<p>State Sales and Use Taxes – No ... they are not VATs – <i>The panelists will briefly compare and contrast state and local sales taxes to VATs. This session will offer an introduction to state sales and use taxes, including states applying economic nexus (jurisdiction) post-2018 from a U.S. Supreme Court decision (<u>S.D. v. Wayfair</u>). They will address the differences among the states’ 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 states’ requirement for marketplace facilitators to collect the tax will also be addressed.</i></p> <p>Moderator: Fred Nicely, COST</p> <p>Speakers: Dorothy Lo, PwC* Ray Melone, Ryan* DeAndre Morrow, Greenberg Traurig* Eric Tschopp, AirBnB</p>
12:30 - 1:30 p.m.	<p>Lunch & Networking</p>
1:30 – 2:30 p.m.	<p>State Income Taxes – Jurisdiction to Impose Income Taxes and Methods of Reporting/Filing Tax Returns - <i>In the U.S., states have a variety of reporting methods: separate company basis, combined basis (water’s edge or worldwide), and variations of federal consolidated. The states also have varying economic nexus (jurisdictional) concepts including factor presence rules in some states. In this session, the speakers will explore the filing methods the states use, with an emphasis on the impact for both compliance and planning purposes on inbound companies. The panelists will cover state corporate income tax interaction with foreign treaties, inclusion of foreign entities based on 80/20 rules, tax haven rules, debt/addback provisions, and non-income tax provisions (like gross receipts and net worth).</i></p> <p>Moderator: Stephanie Do, COST</p> <p>Speakers: Nikki Dobay, Greenberg Traurig* Rob Ozmun, PwC* Wayne Trumbull, Andersen*</p>
2:30 – 3:30 p.m.	<p>Better Understanding the States’ Sales Taxes and Misc. Transactional Taxes – <i>In this session, the speakers will address complex sourcing issues with purchases, including the fast-growing and complex sales taxation of digital products (including NFTs). Efforts to improve sales tax administration will include a discussion of the Streamlined Sales Tax Project, a joint effort of businesses and the states to create more uniform sales tax administration rules. Issues and compliance with miscellaneous state and local transactional taxes will be covered along with the speakers focusing on the practical aspects of a foreign business complying with state and local transactional taxes.</i></p> <p>Moderator: Fred Nicely</p> <p>Speakers: Eric Anderson, Andersen* Ray Melone, Ryan*</p>
3:30 – 3:45 p.m.	<p>Refreshment Break & Networking</p>
3:45 – 4:45 p.m.	<p>State Income– Understanding the Concepts of Apportionment and Sourcing - <i>Determining what portion of an entity’s income is includable in a state corporate income tax return is always a challenge. In this session, the speakers will explore numerous concepts which underlie the imposition of income 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.</i></p> <p>Moderator:</p>

	<p>Karl Frieden, COST</p> <p>Speakers: Mark Nachbar, Ryan* Shail Shah, Greenberg Traurig*</p>
4:45 – 5:45 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 2023 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>Moderators: Doug Lindholm, COST Fred Nicely, COST</p> <p>Panel: Eric Anderson, Andersen* Mark Loyd, Dentons* Mark Nachbar, Ryan* Rob Ozmun, PwC* Shail Shah, Greenberg Traurig*</p>
5:45 – 6:45 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 Forum with others and gain new perspectives.</i></p>

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