As of 11/03/26

COST's Spring Conference and Audit Sessions

Fairmont Chicago Millennium Park

April 18–21, 2027 – Preliminary Agenda

Please note that all attendees are welcome to attend any session except for the Audit Sessions. Those sessions, as always, are only open to COST industry members.

SUNDAY, APRIL 18th	
12:00 PM – 6:30 PM	**Registration**
2:00 PM – 3:45 PM	**Legislative/Government Relations Meeting** We invite you to participate in a robust discussion of significant 50-state corporate tax legislation and issues emerging during the current legislative cycle. With pertinent insights from states' shifting political and fiscal landscapes and the impact of federal HR 1 and trade policy changes on state taxes and revenues, this is a great session for those interested in state tax policy and legislation (e.g., government affairs folks are encouraged to attend). COST's advocacy staff and chairs of COST's Legislative and Policy Committees will also highlight COST's advocacy, policy, and other resources available to COST members and partners.
4:00 PM – 5:30 PM	**Board of Directors Meeting** (COST Board and Staff Only). The STRI meeting will be held separately the following week.
5:30 PM – 6:30 PM	**Reception**
MONDAY, APRIL 19th	
7:00 AM – 6:30 PM	**Registration**
7:30 AM – 8:45 AM	**Continental Breakfast & Networking**
8:45 AM – 9:00 AM	**Welcome & Opening Remarks** Jamie Laiewski, Charter Communication, COST Chair Pat Reynolds, COST
9:00 AM – 10:00 AM	**The State of the States: How Does That Affect SALT?** States are entering 2027 with slow revenue growth, tighter budgets, and increasing pressure from federal policy shifts—conditions that will directly shape the future of state and local taxation. As reserves remain strong, but revenue baselines soften, lawmakers are weighing tax code conformity, targeted tax increases or decreases, and new approaches to fiscal stability. This session will unpack the latest data on state fiscal health, highlight emerging tax policy trends, and explore how these dynamics may influence state and local tax structures in the year ahead. Attendees will gain a clear, forward-looking understanding of the fiscal forces likely to drive tax decisions in 2027.

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10:00 AM – 10:10 AM	**Refreshment Break & Networking**	
10:10 AM – 11:05 AM	**Choice of Two Breakouts**	
	The Top 10 Income Tax Cases The speakers in this session will cover the Top 10 cases in the past year dealing with income taxes. Don't miss this fast-paced session, which will update you on the decisions and provide the speakers' insights into how the cases impact multijurisdictional businesses.	**Taxing the Digital Frontier: AI, SaaS, and Emerging Models** State and local tax rules are being reshaped by the expansion of SaaS models and the rise of invisible commerce across the digital economy. Jurisdictions such as California are reinterpreting or revising long-standing tax structures. This session will address the latest developments, emerging compliance challenges, and the potential ripple effects for businesses operating in digital and technology-driven markets.
11:10 AM – 12:05 PM	**Choice of Two Breakouts**	
	Who's In, Who's Out? – Challenges with Determining the Unitary Group There is increased complexity in determining the composition of the unitary group and the apportionment of the group's income. States are applying varying rules for establishing unitary relationships, including disregarded or foreign entities, and apportioning the unitary group's income. This session will explore key considerations in evaluating filing group composition, computing the apportionment formula, and will discuss common state-level pitfalls.	**Indirect Tax – Audit Session (COST Industry Members Only)**
12:05 PM – 1:05 PM	**Lunch & Networking**	
1:05 PM – 2:00 PM	**Choice of Two Breakouts**	
	Felix and Oscar, Lucy and Ethel, Federal and State Income Tax Systems, and Other Odd Couples Federal and state income tax systems both share the same foundation, but the differences can be profound. This presentation discusses the critical, often non-intuitive, distinctions between federal and state income taxation and explores the fault lines where national and subnational tax systems part ways: from conformity gaps and state-specific subtractions and addbacks to the treatment of pass-through entities, apportionment disputes, and the evolving landscape of digital taxation.	**The Top 10 Sales Tax Cases** The speakers in this session will cover the top 10 sales and transaction tax cases. Don't miss this fast-paced session, which will update you on the decisions and provide the speakers' insights into how the cases impact multijurisdictional businesses.
2:05 PM – 3:00 PM	**Choice of Two Breakouts**	
	Key Apportionment Issues Do you focus on the computation of the apportionment formula's denominators? How are special industry apportionment formulas used when a filing group consists of more than one industry? What are the elements of fair apportionment? This session will focus on	**Taxing the Digital Age: Advertising and Social Media** States are increasingly targeting digital advertising and social media platforms as they explore new revenue sources and modernize outdated tax structures. As proposals emerge to tax digital ads and platform-based transactions, businesses face a rapidly shifting

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	these three key apportionment concepts: (1) the critical elements of the apportionment formula denominator; (2) the issues encountered using special industry apportionment methods; and (3) the elements of fair apportionment in the market-based sourcing world.	landscape. This session will examine the latest legislative trends, legal challenges, and policy debates shaping digital advertising and social media taxation.
3:00 PM – 3:10 PM	**Refreshment Break & Networking**	
3:10 PM – 4:05 PM	**Choice of Two Breakouts**	
	Corporate Challenges When Using Partnerships and Pass-Through Structures Corporations are increasingly incorporating partnerships and other pass-through entities into their corporate structures. As a result, they face significant complexity, ranging from tiered ownership reporting to shifting nexus and apportionment consequences. Varied state rules on income sourcing, composite filings, and partner-level adjustments can create unexpected compliance burdens and audit exposure. This session will explore the most pressing issues companies face when operating through pass-through entities, including structural pitfalls, disclosure challenges, and state-specific treatment of partnership activity.	**Navigating Bundled Transactions: What's the True Object and Taxability?** Mixed and bundled transactions continue to challenge taxpayers and auditors as states refine how to determine the true object of complex offerings. Whether combining services with tangible goods, digital components with traditional deliverables, or multiple taxable and nontaxable elements, the taxability often hinges on how the transaction's primary purpose is defined. This session will explore key true object tests, recent state interpretations, and practical pitfalls that arise when structuring or analyzing bundled transactions.
4:10 PM – 5:40 PM	**Audit Session – *ALL TAX TYPES* (COST Industry Members Only)** During the COST audit session, during which participants share recent audit, settlement and litigation experiences involving all types of state and local taxes. **(States covered in this session: California, Connecticut, Delaware, District of Columbia, Maine, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, Tennessee, Texas, Vermont, West Virginia.)**	
5:45 PM – 6:45 PM	**Reception and Networking**	
7:00 PM	**Group Dinner –** Everyone is invited to join other COST members for dinner at TBD. Don't miss this opportunity to mingle with fellow tax professionals and expand your professional network! Please stop by the Registration Desk to let us know you will be there or contact Judy Slotnik! (Folks will pay their own way.)	
TUESDAY, APRIL 20th		
6:45 AM – 7:30 AM	**Early Morning Walk for Early Risers** Get your day off to a great start by sharing an early morning stroll with other attendees. The group will leave from the hotel lobby at 6:45 AM.	
7:00 AM – 5:45 PM	**Registration**	
7:00 AM – 8:00 AM	**Breakfast & Networking**	
8:00 AM – 9:25 AM	**Tax Administrators Roundtable** This roundtable discussion will feature key state tax administrators discussing the latest news, developments, and outlook in their states from a tax perspective. These administrators will provide insights on what happened in their states thus far during 2027 and what is planned for the remainder of the year. Moderated by an experienced practitioner, this session will provide an opportunity to ask those important questions we all have, which can be done either confidentially or face-to-face. Please feel free to participate in the session or, if you prefer, send your questions to Karen Galdámez (Kgaldamez@cost.org) and we'll ask the question for you anonymously. We highly value and encourage your participation!!	
9:25 AM – 9:35 AM	**Refreshment Break & Networking**	

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9:35 AM – 10:30 AM	**It Is NOT Academic: Tax Professor Advocacy for Expanded and New State Taxation** There has been a steady drumbeat of articles and advocacy by tax professors and others who are seeking to expand existing state taxes or create new ones. The speakers will summarize these proposals and the purported rationale for them. Attendees will be encouraged to engage in a discussion about the problems associated with these proposals and how best to respond.	
10:35 AM – 12:05 PM	**Audit Session – *ALL TAX TYPES* (COST Industry Members Only)** COST audit session, during which participants share recent audit, settlement and litigation experiences involving all types of state and local taxes. **(States covered in this session: Alabama, Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, Oklahoma, Pennsylvania, South Carolina and Virginia.)**	
12:05 PM – 1:05 PM	**Lunch & Networking**	
1:05 PM – 2:00 PM	**Choice of Two Breakouts**	
	Foreign Income in State Tax: Treatment and Key Factors States continue to expand their tax bases to include additional amounts of foreign-source income. There are divergent approaches to the taxation of GILTI/NCTI, Subpart F, and foreign dividends, as well as to the apportionment of that income. This session will address the latest developments, the challenges in developing an apportionment methodology, and will explore practical strategies for managing compliance and audit exposure.	**AI and the New Era of State and Local Taxation** As governments explore AI-related sales tax rules, automation in tax workflows, and broader technology-driven policy shifts, businesses face a fast-moving landscape with new risks and opportunities. This session will break down the latest developments in AI taxation, highlight where states are heading on SaaS-like AI offerings, and examine how automation is reshaping sales tax operations. Attendees will gain a clear view of the tech-forward issues that will define state and local tax in the years ahead.
2:05 PM – 3:00 PM	**Choice of Two Breakouts**	
	Drafting Effective Requests for Alternative Apportionment Preparing a request for alternative apportionment requires a clear narrative, strong factual support, and a persuasive explanation of why standard apportionment fails to fairly represent a taxpayer's activity. An effective request requires the balancing of legal requirements with practical considerations. This session will walk through a case study, highlighting common pitfalls, and provide a practical demonstration of how to assemble and present a compelling alternative apportionment filing.	**Indirect Tax Compliance: Corporate Challenges in a Changing Landscape** Corporate tax departments are facing an increasingly complex indirect tax environment as states modernize requirements for exemption certificates, drop shipments, e-invoicing, sampling, and tax remittance. Traditional processes are being disrupted by new documentation standards, digital reporting mandates, and heightened scrutiny across multiple compliance touchpoints. This session will explore the operational challenges tax teams encounter, highlight emerging state expectations, and examine how technology is reshaping day-to-day compliance responsibilities.
3:00 PM – 3:10 PM	**Refreshment Break & Networking**	
3:10 PM - 4:05 PM	**Choice of Two Breakouts**	
	Who Gets the Last Word? Courts, Tax Agencies, and Judicial Deference Courts are taking a fresh look at the authority of tax agencies. Following the U.S. Supreme Court's rejection of *Chevron* deference, federal courts are reassessing how Treasury regulations and IRS	**ITFA's Future: Implications for State Tax Policy** As digital commerce continues to expand, the Internet Tax Freedom Act (ITFA) remains a central constraint on how states approach taxation of online activity. Ongoing debates about its scope, durability, and long-term viability are shaping state strategies as they seek new

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	guidance should be interpreted, while states continue to apply a variety of approaches to deference. This session explores the evolving standards of judicial review at both the federal and state levels and the practical implications for tax audits, controversies, and litigation.	revenue sources without violating federal limitations. This session will examine the latest legal interpretations, policy pressures, and practical implications of ITFA for state and local tax systems. Attendees will gain a clear understanding of how ITFA continues to influence tax policy—and what potential changes could mean for businesses operating in the digital economy.
4:10 PM – 5:40 PM	**Audit Session – *ALL TAX TYPES* (COST Industry Members Only)** COST audit session, during which participants share recent audit, settlement and litigation experiences involving all types of state and local taxes. **(States covered in this session: Alaska, Arizona, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, South Dakota, Utah, Washington, Wisconsin & Wyoming.)**	
5:50 PM – 7:30 PM	**Vendor Fair** Come join the fun as various service and product providers host our Spring Conference Vendor Fair. There will be lots of giveaways, food, and activities, so make sure you stop by each vendor. At the end of the Vendor Fair, there will be several drawings for fantastic prizes. You must stay until the end to win. Come join us for a lot of fun!	
WEDNESDAY, APRIL 21st		
7:00 AM – 12:25 PM	**Registration**	
7:00 AM – 8:30 AM	**Continental Breakfast & Networking**	
7:15 AM – 8:15 AM	**Early Morning Ethics Coffee Talk: Ethical & Professional Challenges Facing State Tax Professionals** Rise and shine and enjoy an entertaining, informative hour on the latest ethics developments relevant to state tax professionals. This presentation will serve as your "wake-up" for Wednesday morning. However, there's much more to this session than getting an hour of ethics CPE/CLE. Tax professionals must navigate a host of ethical issues on a daily basis. Some issues are obvious; others may not be. The speakers will discuss how to spot ethical issues and deal with them in a thoughtful and effective manner. ***(PLEASE NOTE – THERE WILL BE A SEPARATE REGISTRATION SIGN-IN SHEET FOR THIS SESSION, AND ATTENDEES MUST ARRIVE AND SIGN IN BY 7:30 AM TO OBTAIN CPE/CLE.)***	
8:20 AM – 9:15 AM	**Choice of Two Breakouts**	
	Key Income Tax Challenges in Mergers and Acquisitions Mergers, acquisitions, and reorganizations present corporations with complex state tax issues, from navigating due diligence and identifying hidden liabilities to managing post-transaction integration and demonstrating business purpose. This session will explore the most pressing state tax considerations that arise throughout the transaction lifecycle, highlighting practical strategies for mitigating risk and ensuring compliance.	**State and Local Gross Receipts Challenges and Developments** Complying with state and local gross receipts taxes is increasingly difficult as they continue to adopt varied gross receipts tax structures. Businesses must navigate inconsistent rules, overlapping filing obligations, and complex sourcing methodologies that differ dramatically from jurisdiction to jurisdiction. This session will unpack the most pressing compliance challenges, highlight emerging trends in gross receipts taxation, and explore strategies for managing risk. Attendees will gain practical insight into staying compliant amid the growing complexity of state and local gross receipts tax requirements.
9:20 AM – 10:15 AM	**Choice of Two Breakouts**	
	The NEW Space Race: Credits and Incentives Updates from Coast to Coast	**State Franchise Taxes: The Good, the Bad, and the Ugly** Learn the fundamentals of state franchise taxes and the challenges they present across different jurisdictions. This session will highlight

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	Discover how states are redefining incentives to attract emerging industries and drive economic growth. This session explores evolving credits and incentives, changing policy priorities, and the critical factors shaping today's corporate location and expansion decisions.	key filing considerations, common pitfalls, and state-specific issues that tax professionals should watch for to avoid costly surprises.
10:15 AM – 10:30 AM	**Refreshment Break, Networking, and Hotel Checkout**	
10:30 AM – 12:00 PM	**AI's Impact on Corporate State Tax Departments: Risks and Rewards** AI is rapidly reshaping corporate state tax departments, offering powerful tools for data management, compliance automation, and audit readiness while simultaneously introducing new risks and oversight challenges. As teams adopt AI-driven workflows, questions arise around accuracy, governance, transparency, and the potential for unintended tax positions or misinterpretations. This session will explore both the benefits and pitfalls of integrating AI into state tax operations, highlighting practical strategies for leveraging technology responsibly. Attendees will gain a balanced understanding of how AI can enhance efficiency without compromising control or compliance.	
12:00 PM	**Spring Conference Adjourns**	

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