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KPMG reports: New Jersey (combined reporting); Oregon (corporate activity tax); Oregon (GILTI); Rhode Island (statute of limitations); Tennessee (subpart F income)

KPMG's This Week in State Tax—produced weekly by KPMG's State and Local Tax practice—focuses on recent state and local tax developments.

- **New Jersey:** The Division of Taxation released guidance (Technical Bulletin TB-91) concerning combined reporting provisions that are effective for banking corporations having privilege periods ending on and after July 31, 2019. Under New Jersey law, the managerial member of a combined group can be either a calendar year or a fiscal year taxpayer. However, for New Jersey reporting purposes, banking corporations must file using a calendar year privilege period. The bulletin explains how banking corporations with privilege periods that differ from the managerial member of the combined group are to report income.

- **Oregon:** Newly enacted legislation includes technical corrections to the new corporate activity tax (CAT) law. The changes include: (1) an exclusion from taxable commercial activity for subcontracting payments for labor costs that are made by a general contractor to a subcontractor pursuant to a contract for residential real estate construction; (2) exclusions from commercial activity, including, but not limited to certain receipts from hedging transactions and for certain types of compensation; (3) clarification that any person with commercial activity of less than $750,000 (previously $1 million) is an excluded person that is not subject to the CAT (unless it is a member of a unitary group that has commercial activity in excess of $750,000); and (4) a catch-all sourcing provision for financial institutions and insurers.

- **Oregon:** Senate Bill 851, that revises the state's treatment of global intangible low-taxed income (GILTI), was enacted. Specifically, effective for tax years beginning on or after January 1, 2018, the

amount of GILTI included in gross income will be treated as a dividend eligible for an 80% dividends-received deduction.

- **Rhode Island:** Newly enacted legislation adopts a 10-year statute of limitations for purposes of sales and use, corporate income, personal income, and estate taxes (generally effective for state tax liabilities that were final, due and payable after July 1, 2019).

- **Tennessee:** The Department of Revenue ruled that subpart F income is treated as a dividend for franchise and excise tax purposes.

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