



# TaxNewsFlash

United States



No. 2020-385  
June 15, 2020

## KPMG reports: Maine (apportionment); Michigan (interest limitation); Mississippi (single member LLCs); South Carolina (mailbox rule)

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.

- **Maine:** The Supreme Judicial Court held a taxpayer was not allowed to use the alternative apportionment formula to source gain from the sale of a frozen pizza business, finding that the pizza business was clearly part of the taxpayer's overall unitary business and that applying alternative apportionment to a segment of a unitary business was inconsistent with one of the core principles justifying the use of a sales factor formula to apportion the income of a unitary business. Read a [June 2020 report](#)
- **Michigan:** The Department of Treasury finalized a notice addressing the computation of the section 163(j) limitation for purposes of the Michigan corporate income tax, and explaining how to compute the 163(j) limitation given the differences between the federal consolidated filing group and the Michigan unitary business group rules. Read a [June 2020 report](#)
- **Mississippi:** The Supreme Court, in a case concerning whether the capital of single-member limited liability companies (LLCs) was included in their owner's franchise tax base, held the taxpayer could not exclude the capital of the single-member LLCs from its franchise tax base. The taxpayer (a corporation that owned several single-member LLCs doing business in Mississippi) filed amended franchise tax returns in which it excluded the capital of its single-member LLCs from the franchise tax base, alleging that these LLCs were not corporations subject to the franchise tax. The tax authority and the high court rejected this claim. Read a [June 2020 report](#)
- **South Carolina:** An administrative law court judge determined that a taxpayer's protest of an assessment was untimely, and rejected the arguments put forward by the taxpayer (a patient information management company) that its consistent challenges receiving mail delivered by the postal service and an overly restrictive spam filter constituted good cause for failing to timely respond. Read a [June 2020 report](#)

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