



# TaxNewsFlash

United States



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## KPMG reports: Cincinnati (consolidated returns); District of Columbia (opportunity zones); North Carolina (inter-company pricing initiative)

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.

- **Cincinnati, Ohio:** An appeals court decision—concerning whether a city income tax ordinance that sets forth the requirements for filing a consolidated income tax return was preempted by an Ohio statute on the same rules—concludes that the local ordinance that limited inclusion in the group to only affiliates that were conducting business in Cincinnati was preempted by state law that requires Cincinnati to accept a consolidated return that includes all group members filing a consolidated federal tax return. Read an [August 2020 report](#)
- **District of Columbia:** The Fiscal Year 2021 Emergency Budget Support Act has been enacted. As an emergency bill, the Act became effective immediately and will remain in effect for a period of 90 days—that is, until November 16, 2020. The Council has taken initial steps to enact a permanent Fiscal Year 2021 Budget Support Act. The tax-related changes in the Emergency Act include, but are not limited to, delaying the deduction put in place several years ago to offset the financial statement impact of the District moving to combined reporting and limiting the tax benefits of investing in certain Opportunity Zone Funds to local funds certified by the mayor. Read an [August 2020 report](#)
- **North Carolina:** The Department of Revenue issued a set of “frequently asked questions” ([FAQs](#)) [PDF 206 KB] concerning its ongoing initiative to expedite the resolution of corporate inter-company pricing issues. The initiative began August 1. By September 15, 2020, taxpayers must agree in writing to participate in the initiative by completing and emailing an “Election to Participate” form to the Department. Among other things, the FAQs confirm that taxpayers cannot come forward anonymously, but must be identified to participate in the initiative. Read an [August 2020 report](#)

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