

Work Group to Study Unitary Combined Corporate Income Tax Reporting

<https://studies.viriniageneralassembly.gov/studies/607>

Tuesday September 21, 2021, 1:00 p.m.

House Committee Room, Pocahontas Building

Public livestream link:

<https://viriniageneralassembly.gov/house/committees/commstream.html>

- I. Call to Order and Welcome** - Delegate Vivian E. Watts, Chair, House Committee on Finance
- II. Presentations by the Department of Taxation** - Kristin Collins, Policy Development Director and Matthew Huntley, Lead Tax Policy Analyst
 - Report on estimated revenue reports submitted pursuant to Budget Item 3.5-23
 - Potential provisions of Unitary Combined Reporting raised in August 16 meeting, including but not limited to:
 - Option to file on a unitary combined basis or a current option under Virginia Code or federal consolidated;
 - NC authority to force separate filer to submit a combined return;
 - Finnigan versus Joyce;
 - Issues related to auditing;
 - Revenue stability
 - Potential modifications of Virginia Tax Code raised in August 16 meeting, including but not limited to:
 - Reducing the 20-year limit on switching affiliated group filing elections;
 - Changing Virginia's three-factor apportionment formula;
 - "Cost of performance" versus "Market-based" sourcing methods;
 - Simplifying Virginia's treatment of the business interest expenses (Sec. 163 (j) limitation) deduction;
 - Tracking net operation losses and credits not in conformity with federal determination;
 - Enhancing Virginia's add-back, determination of nexus, loss disallowance, or other means to prevent tax avoidance in multi-state businesses
- III. Discussion**
- IV. Request(s) for Draft Legislation**
- V. Public Comment**
- VI. Adjourn**

Work Group Membership

Executive and Legislative Officials

Delegate Vivian E. Watts
Senator David W. Marsden
Joseph Flores
June Jennings
Craig Burns
William White
Brian Ball
Cassidy Rasnick

Chair, House Finance
Member, Senate Finance and Appropriations
Secretary of Finance
Deputy Secretary of Finance
Tax Commissioner
Asst. Tax Commissioner
Secretary of Commerce and Trade
Deputy Secretary of Commerce and Trade

Corporate Tax Professionals

Tyler Henderson, *Sr. Manager, State and Local Tax*
Gary Tappana, *Vice President of Tax Policy*
Mike Carchia, *Head of State Tax Planning*
Tammy Herrin, *In-house Tax Counsel*
Jon Elder, *Vice President of Taxes*
Tim Winks, *Sr. Manager, Indirect Tax*
Glen Page, *Sr. Manager, State Income & Franchise Tax*
Tom Powers, *Executive Director, Corporate Tax Department*
Karen Lint, *Corporate Tax Director*
Lori Nieto, *Corporate Tax Director*
Ken Wright, *Sr. Manager, State Tax*
Alison Malloy, *Sr. Director of Tax*
Kathleen Kittrick, *Director, State Tax Policy*
David Brunori, *Senior Director*
Research Professor of Public Policy
Greg Matson, *Executive Director*
William L.S. "Sandy" Rowe, *Of Counsel*
Ellen Berenholz, *Executive Director, Tax Policy*

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Anheuser-Busch
Capital One
ExxonMobil
Dollar Tree
Ferguson Enterprises
HCA Healthcare
JP Morgan Chase
Huntington Ingalls Industries
Northrop Grumman
Smithfield Foods
Verisign
Verizon
RSM LLP, and
George Washington University
Multistate Tax Commission
HuntonAndrewsKurth
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