



cutting through complexity

STATE AND LOCAL TAX

# Income and franchise tax services

[kpmg.com](http://kpmg.com)

## Contact Us

For more information on KPMG's Income and Franchise Tax Services, please contact a KPMG professional or visit us at [www.kpmg.com](http://www.kpmg.com).

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

© 2013 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International. NDPPS 158430



U.S. state and local taxes have always been complex. Constant legislative changes, combined with the lack of uniformity in state and local income and franchise tax laws, can leave even the most seasoned tax professional in need of guidance.

KPMG LLP's (KPMG) Income and Franchise Tax services professionals, in coordination with our State Tax Resource Network, work to provide our clients with timely access to tax insights and guidance that can help them address tax issues that may affect their competitiveness and ability to meet long-term business objectives. Our team has specialized knowledge and strong working relationships with tax authorities in each state, and our broad array of services can help you to manage the income and franchise tax issues you encounter. From complex rulings to state tax audit assistance and representation to tax advice on real transactions, we can help you to effectively and efficiently comply with state income and franchise tax laws.

KPMG's Income and Franchise Tax Services include:

- **Nexus Analysis and Voluntary Disclosure Services** – analyzing current in-state activities and contacts to determine if a filing requirement exists and approaching states to resolve any past exposures.
- **Apportionment Reviews** – consulting services to assist with determining the optimal methodology of apportionment and allocation of revenue
- **Compliance** – utilizing the most up-to-date technology to prepare state income tax estimates and extensions
- **Dispute Resolution** – assisting with matters related to state tax audits as well as securing guidance through ruling requests
- **Credit and Incentive Review** – identifying significant tax credits and incentives available to clients with multistate operations and maximizing the utilization of such credits
- **Restructuring and Tax Planning** – assisting with improving a suboptimal structure from a statutory, organizational, and cost perspective. Our restructuring and planning services can also include an analysis of a client's financial and operational situation or plan from a tax perspective.

**KPMG SALT Technology**

When performing income and franchise tax services, our team uses various technology tools to help increase efficiency while maintaining quality. These technology tools include:

**eWorkPapers State**

KPMG's eWorkpapers State is a software application used by KPMG professionals to assist in the preparation of state income tax and franchise tax returns, estimates, and extension payments. eWorkpapers is supplemented by additional software that allows users to easily determine whether and to what extent state related-party expense disallowance rules apply to the taxpayer's facts.

**RAR**

KPMG's Revenue Agent's Report (RAR) tool streamlines reporting federal income tax changes to state revenue authorities. The application allows KPMG professionals to input client data (name, address, FEIN, prior state taxable income, etc.) and the components of the RAR once. The software then computes the change in state tax and has the information flow to the appropriate state returns.

**KPMG LINK Controversy Tracker**

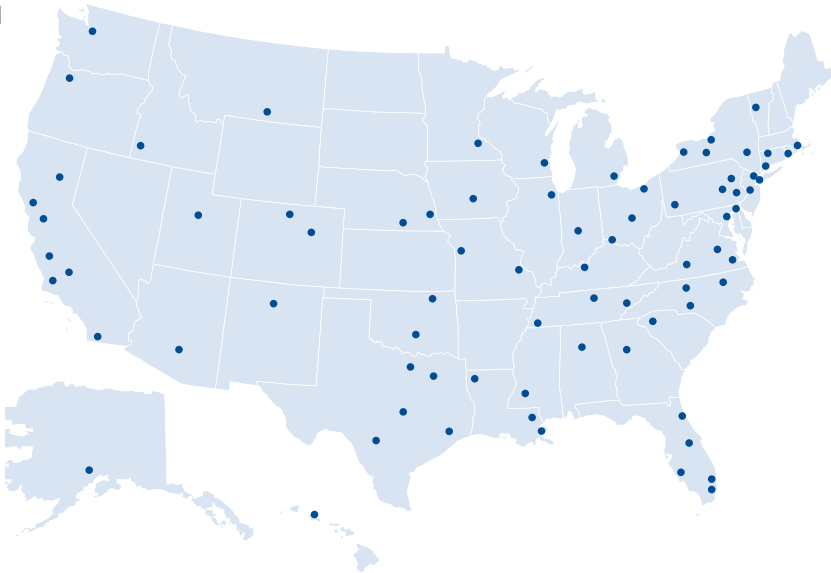
KPMG LINK Controversy Tracker is secure, Web-based software tailored to meet jurisdiction-specific requirements and equipped with the functionality needed to improve the efficiency, accuracy, and expediency of managing all notices and audit functions and any necessary appeals. It keeps track of notices, audits, appeals protests, document requests, specific statutes of limitations, as well as the waivers needed to extend statutes of limitations. It also provides taxpayers with e-mail notification alerts to help them stay organized and prevent missing crucial deadlines.

**SCUBA**

SCUBA (State Consolidation Utility and Business Analysis) is KPMG's configurable apportionment database application. The manual labor of gathering apportionment data can be greatly reduced through SCUBA's automation process efficiencies. SCUBA allows users to easily modify state-specific rules such as factor weighting, Joyce/Finnegan rules, rental property annualization, throwback/throwout, and more. If multiple years of data are uploaded, the system generates trend reports. Furthermore, SCUBA allows users to modify group composition with ease while automatically adjusting for intercompany eliminations as a result of the group change. This feature works well for modeling restructuring, spin-offs, acquisitions, or mergers.

**We Work Where You Do**

*KPMG's Income and Franchise Tax Services practice has professionals in KPMG offices from coast to coast. This extensive network provides specialized knowledge on income and franchise tax compliance in every state where you do business.*



**Our Resources**

**State Tax Resource Network**

KPMG's State Tax Resource Network (STRN) brings together our top state and local Tax professionals who have specialized knowledge and strong working relationships with tax authorities in each of the states. Our goal is to provide clients with timely access to tax insights and guidance that can help address critical tax issues. The STRN works together as a national team to address our clients' needs in a coordinated manner across multiple jurisdictions. Their extensive experience and knowledge of local and state revenue procedures and regulations may lead to more efficient and timely procedural insight and technical knowledge for our clients' specific situations.

**Washington National Tax**

The experienced technical professionals who make up the State and Local Tax (SALT) group in KPMG's Washington National Tax (WNT) practice are well positioned to assist with navigating the constantly changing state and local tax maze. WNT-SALT is the hub of knowledge on state and local tax matters for the SALT

practice at KPMG. This experienced team of Tax professionals has backgrounds in government, law firms, industry, and other parts of the private sector. SALT professionals in WNT regularly consult with clients and KPMG professionals on complex issues involving state and local income and franchise tax.

**Thought Leadership**

**TaxWatch Events** – complimentary live audio or video Webcasts held regularly for executive-level audiences, which feature discussions by KPMG professionals and guest speakers about current state and local tax issues. CPE credits are available for participation.

**TWIST Podcasts** – weekly, short podcasts on the latest state tax developments are available for download to an MP3 player, smart phone, or computer every Monday morning.

**TWIST-Q** – a publication produced quarterly to provide information that can help a company prepare their tax provisions. Includes a quarterly checklist of developments.

*All of the above can be found at [www.kpmgtaxwatch.com](http://www.kpmgtaxwatch.com)*