



TaxNewsFlash

United States

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KPMG reports: Georgia (IRC section 965); Minnesota (apportionment); Vermont (federal tax conformity)

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.

- **Georgia:** The Department of Revenue issued guidance confirming that the statutory exclusion for dividends received from sources outside the United States, which applies to amounts otherwise included in income under IRC section 965, is allowed only for federal C corporations. The guidance also clarifies that tax on section 965 income may not be deferred under Georgia law.
- **Minnesota:** The Minnesota Supreme Court held that the Tax Commissioner was not barred from requiring a banking group to use an alternative apportionment formula to include interest income and loans of some LLCs taxed as partnerships. The high court found the commissioner could exercise her “plain statutory authority” to rebut the presumption that the banking group’s method fairly reflected its taxable income.
- **Vermont:** The budget bill was enacted July 2, 2018, over the governor’s veto, updating the state’s conformity to the Internal Revenue Code. Vermont adopted the federal income tax law as in effect on December 31, 2017, but without regard to federal income tax rates. The conformity update is effective retroactively on January 1, 2018, and applies to tax years beginning on or after January 1, 2017.

Read more at KPMG's [**This Week in State Tax**](#)

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