



# TaxNewsFlash

United States



No. 2023-033  
January 30, 2023

## KPMG reports: Illinois (amended return was timely filed); Texas (taxpayer may not amend franchise tax report); multistate (combined reporting)

KPMG This Week in State Tax—produced weekly by the KPMG State and Local Tax practice—focuses on recent state and local tax developments.

- **Illinois:** The Independent Tax Tribunal held that an amended return was timely filed based on its finding that the taxpayer had “presented un rebutted evidence of timely mailing that was reasonable and credible in the context of the highly unusual circumstances surrounding business and governmental operations during the height of the COVID-19 pandemic.”
- **Texas:** The Comptroller Tax Policy Division published a policy letter confirming that a taxpayer may not amend a franchise tax report for an out-of-statute period to create a research and development (R&D) credit carryforward for use in an open report year.
- **Multistate:** The state legislative sessions are underway in many states and, as always, there are proposals in certain separate reporting states to move to combined reporting.
  - In Maryland, House Bill 46 would adopt mandatory unitary combined reporting effective for tax years beginning after December 31, 2024. The default filing methodology for the combined group would be worldwide filing, but combined groups would be allowed to make an election to file on a water’s-edge basis.
  - In Pennsylvania, Senate Bill 161 would adopt water’s-edge combined reporting for tax years beginning after December 31, 2023. The water’s-edge group would include certain members incorporated in or doing business in certain enumerated tax haven jurisdictions.

- There are bills pending in Hawaii, Oregon, and New Hampshire that would adopt a worldwide combined reporting methodology.

Read a [January 2023 report](#) prepared by KPMG LLP

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