

## Income/Franchise:

### New York: Telecom's Combined Group Not Considered a Qualified Emerging Technology Company

*Decision DTA No. 829691*, N.Y. Div. of Tax App. (1/25/24). In a case involving a telecommunications company and its affiliates filing Article 9-A New York combined returns for the 2012, 2013, and 2014 tax years at issue and reporting corporation franchise tax due on the entire net income base, the New York State Tax Appeals Tribunal (Tribunal) affirmed [see *State Tax Matters*, Issue 2022-49, for details on the administrative law judge's earlier ruling in this case] the combined group failed to show it was a "qualified emerging technology company" (QETC) under New York's Public Authorities Law (PAL) and thereby eligible to utilize the reduced tax rate available for QETCs. Rejecting the taxpayer's interpretation that a combined group's activities be aggregated to meet the qualifications, the Tribunal explained that the New York Division of Taxation and Finance's and administrative law judge's construction of Tax Law former § 210 (1) (a) (vi) and PAL § 3102-e (1) (c), by which all members of a combined group must be QETCs for the group to be considered a QETC, is consistent with the statutory language and thus reasonable. Please contact us with any questions

[URL: https://www.dta.ny.gov/pdf/decisions/829691.dec.pdf](https://www.dta.ny.gov/pdf/decisions/829691.dec.pdf)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2022/STM/221216\\_4.html](https://dhub.deloitte.com/Newsletters/Tax/2022/STM/221216_4.html)

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