

Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

California court denies FTB's motion to modify judgment declaring P.L. 86-272 guidance invalid

On February 13, 2024, the San Francisco Superior Court issued an order denying the California Franchise Tax Board's ("FTB's") motion to vacate and modify the court's judgment entered in December of 2023 ("Motion to Vacate and Modify Judgment"), in *Am. Catalog Mailers Ass'n v. Franchise Tax Bd.*, which concluded that the FTB's Technical Advice Memorandum 2022-01 ("TAM 2022-01") and Publication 1050 were void because they constituted regulations that were required to be adopted, but were not adopted, in compliance with the California Administrative Procedure Act ("APA"). On the same date, the court also issued a separate Order, concluding that the taxpayer was the prevailing party in this case under the applicable California provisions, thereby awarding the taxpayer attorney's fees in the amount of \$332,891.50.

This Multistate Tax Alert summarizes the court's February 2024 order denying the FTB's Motion to Vacate and Modify Judgment.

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URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-california-court-denies-ftbs-motion-to-modify-judgment-declaring-pl-86-272-guidance-invalid.pdf>

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