

Income/Franchise:

Montana DOR Proposes Rule Changes Reflecting Elimination of Tax Haven Jurisdictions List

MAR Notice No. 42-1077: Proposed Amended ARM 42.26.311 and Proposed Repeal of ARM 42.26.306, Mont. Dept. of Rev. (4/16/24). The Montana Department of Revenue proposed rule changes reflecting state corporate income tax legislation enacted in 2023 [see S.B. 246 (2023) and *State Tax Matters*, Issue 2023-21, for more details on this legislation] which removed “tax haven” corporations from the water’s-edge group of affiliated corporations effective for tax periods beginning after December 31, 2022. The rule proposal reflects how C corporations in a unitary relationship with a taxpayer incorporated in a previously designated tax haven no longer need to have their income and apportionment factors included in the water’s-edge combined filing group. A related public hearing is scheduled for May 21, 2024, and any comments on the proposed changes are due by May 28, 2024. Please contact us with any questions.

URL: https://mtrevenue.gov/wp-content/uploads/dlm_uploads/2024/04/42-1077pro-arm.pdf

URL:
[http://laws.leg.mt.gov/legprd/LAW0203W\\$BSRV.ActionQuery?P_SESS=20231&P_BLTP_BILL_TYP_CD=SB&P_BILL_NO=246&P_BILL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_ENTY_ID_SEQ2=&P_SBJT_SBJ_CD=&P_ENTY_ID_SEQ=](http://laws.leg.mt.gov/legprd/LAW0203W$BSRV.ActionQuery?P_SESS=20231&P_BLTP_BILL_TYP_CD=SB&P_BILL_NO=246&P_BILL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_ENTY_ID_SEQ2=&P_SBJT_SBJ_CD=&P_ENTY_ID_SEQ=)
URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230526_2.html

— Roburt Waldow (Minneapolis)
Principal
Deloitte Tax LLP
rwaldow@deloitte.com

Michael Spencer (Washington, DC)
Senior Manager
Deloitte Tax LLP
mispencer@deloitte.com

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