Insights: Publications

State Tax Impact of the Transition Tax and GILTI

Journal of Multistate Taxation and Incentives (Thomson Reuters/Tax & Accounting),

Volume 28, Number 3

June 1, 2018

Written by **Jeffrey S. Reed**

States have now had months to think about the Tax Cuts and Jobs Act's impact on their tax revenues, and to consider how best to legislatively respond. As of this writing, responses are slowly starting to trickle in. A key area to watch is how the states choose to conform to, or decouple from, the IRC Section 965 Deemed Repatriation (or Repatriation Transition) Tax and Global Intangible Low Tax Income ("GILTI") provisions. This article focuses on state tax issues relating to both. It is largely conceptual, but builds in examples of enacted state legislation. Overall, this article generally concludes that taxpayers should consider not only state conformity legislation, but also pre-existing authorities addressing state treatment of Subpart F income, dividend received deduction provisions, expense disallowance provisions, and receipts factor guidance.

Related People

Jeffrey S. Reed

t 212.775.8792

jsreed@ktslaw.com