

How to Use State Tax Reporters

Organization of State Tax Materials by Tax Type

States and localities impose various types of taxes, which are the subject treated by the CCH State Tax Reporters. A separate reporter is produced for each state, and there is a consistent organization of tax materials across the product line of CCH State Tax Reporters, at least to the extent possible.

State taxes are imposed by statutes. However, because state codes are organized, designated, and numbered differently from state to state, the CCH State Tax Reporters do not follow the code-based organization used in the CCH Standard Federal Tax Reporter. Instead, the organization of the CCH State Tax Reporters is based on tax topics, for example, corporate income, sales & use, property, personal income, and various others.

Presentation of CCH State Tax Reporters

CCH State Tax Reporters were first produced as loose-leaf print volumes, and some subscribers have elected to continue receiving their state tax materials in printed form. However, most subscribers now access the CCH State Tax Reporters on the CCH® Tax Research NetWork™ (TRN), an Internet-based platform navigated through a browser. This electronic presentation allows for expanded libraries of state materials, including comprehensive archives of laws and regulations.

The research content in the CCH State Tax Reporters consists primarily of the following document types:

- **Explanations**—State Tax Reporter explanations embody editorial analysis of the laws, regulations, cases and rulings pertaining to a topic.
- **Annotations**—Annotations are short summaries of cases, rulings, and other state tax judicial and administrative documents.
- **Laws**—The full text of state statutes pertinent to state tax issues are included. Archives include prior year laws beginning with 1994.
- **Regulations**—The full text of state regulations treating state tax topics is included. Archives include prior years beginning with 1994.
- **Cases and rulings**—Full text cases and rulings on state tax issues are provided. These include both judicial and state administrative documents.

In addition, the CCH State Tax Reporters provide daily awareness of emerging issues through *State Tax Day* and CCH Tax Tracker News, a customizable daily news delivery functionality.

Tax Types Covered by State Tax Reporters

State and local taxes are imposed on a wide variety of transactions and activities. The types of taxes most researched include the following:

- Corporate Income (including franchise)
- Sales and Use
- Property
- Personal Income
- Industry Specific (for example, Utilities, Severance, Insurance)

Common Questions Answered by CCH State Tax Reporters

Corporate income tax questions frequently include whether a particular corporation is taxable in the state. If the corporation is taxable, how is the tax computed on income, deductions, and other modifications? For multistate corporations, how does the state allocate income to the state or apportion income linked to more than one state?

Sales and use taxes have traditionally been based primarily on transactions involving the sale of tangible personal property. In recent years, various services increasingly have been subject to state sales and use taxes. Typical questions include whether the transaction is taxable or exempt, whether a particular busi-



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ness or individual must collect or remit a sales or use tax, and how the tax is computed and reported.

- Property taxes generally are imposed by localities pursuant to state enabling provisions. Questions frequently arise concerning which type of property is taxable (real property, personal property, or intangible property are taxable depending on jurisdiction), valuation of the property that is taxable, and the time and method required for tax payment.

Personal income taxes generally are imposed at the state level, although in some states other governmental levels also impose income taxes. Issues and questions arise concerning an individual's residency or domicile in a state, the calculation of the tax liability, including income and deductions, and reporting/payment requirements.

Research in CCH State Tax Reporters on CCH Tax Research NetWork

State tax researchers have many options in researching their questions on the CCH Tax Research NetWork. Because the documents presented in a State Tax Reporter are arranged by tax topic and subtopic, the initial research of any question may be done by a menu walk approach on the TRN state menu, choosing states, tax types, topics, and documents by clicking on items listed in the menu. In addition, another approach favored by traditional researchers, a topical index, may be used to quickly locate material in an area of interest.

Many state tax researchers prefer to leverage the power of the TRN Internet platform by word searching. This particularly appeals to frequent users who are knowledgeable on the topics and terminology used in state taxation. In performing a word search, the options include search methods (for example, all terms, any term or

Boolean), selection of one or more states, documents, and tax types. An automatic tax thesaurus helps to achieve useful results by matching various terms commonly used in state tax materials.

An emerging approach to state tax research is the use of various charts and tools provided on TRN to gain a quick overview of a topical area, and links to more detailed materials. Multistate Quick Answer Charts and CCH Smart Charts, which allow customizable chart selection, are available to state researchers. A chart-based research approach is of particular interest to those with a need to research issues in multiple states.

Understanding the CCH Paragraphing System in State Tax Products

CCH's State Tax Reporters are organized based on tax topics, for example, corporate income, sales & use, property, personal income, and various others. For each tax type, there is a standardized numerical range that is used for the designation of CCH Explanations and Annotations. Explanations are designated by five digits, for example, ¶12-345, followed by the title of the explanation topic. Although it is not common, certain explanations may contain a single lower case letter following the final digit of the designation, as in ¶12-345a.

Annotations, which are editorial materials that accompany explanations, treat cases rulings and other developments related to the subject matter of a particular explanation. Annotations are designated with a two or three digit number which follows and is indexed to the related explanation, for example, ¶12-345.12

In the standard designations for state tax topics, the initial two digits (single digits for incorporation or franchise) represent the beginning of the paragraph range for a tax topic, and the following three digits represent subtopics. The following are the standard designations for the major

tax topics treated across the state product line:

¶1-xxx	Incorporation and Qualification
¶5-xxx	Franchise/Capital Stock Taxes
¶10-xxx	Income, Corporate
¶15-xxx	Income, Personal
¶20-xxx	Property
¶30-xxx	Miscellaneous Taxes
¶40-xxx	Motor Fuel Taxes
¶45-xxx	Severance Taxes
¶50-xxx	Public Utilities/Transportation
¶55-xxx	Cigarettes, Tobacco
¶60-xxx	Sales & Use
¶88-xxx	Insurance Companies/Gross Premiums
¶89-xxx	Practice and Procedure

The second digit of each designation may be utilized to further outline the tax topic. Thus, for example, ¶16-xxx, ¶17-xxx, or ¶18-xxx, generally would designate substantial personal income subtopics following under the major ¶15-xxx designation.

There may be minor variations for some topics. As an example, Unclaimed Property is typically located at ¶33-xxx, but currently may be located at ¶30-xxx, or ¶31-xxx in particular states.

The paragraph range for state tax laws generally begins with ¶90-xxx. Cases and rulings are indexed under a six digit system, for example, ¶123-456.

CCH's Multistate Guides are organized in a similar manner, because their content is primarily derived from that found in the State Tax Reporters. (See CCH Multistate Guides for Specialized Tax Research for additional details.) The CCH Multistate Corporate Income Tax Guide covers corporate income tax and franchise tax materials, with the standard paragraph ranges for all the covered states beginning with ¶5-xxx, and ¶10-xxx. The CCH Multistate Property Tax Guide covers the paragraph ranges beginning with ¶20-xxx. The CCH Multistate Sales & Use Tax Guide

covers the paragraph ranges beginning with ¶60-xxx. In addition, the various multistate guides contain multistate explanations intended as an overview, or general guide to the topic. These are designated as “Overview.” They are designated by a three or four digit number following the paragraph symbol. The Overview category also provides a location for finding various supplementary materials pertinent to the particular tax type.

Types of State Documents and Procedures for Finding Them

I. Primary Sources--Authoritative

■ Constitutions

(1) Federal Constitution

- The U.S. Constitution limits how the states impose and apply their tax laws. The following portions of the Constitution have the greatest impact on state taxation: Commerce Clause, Due Process Clause, Equal Protection Clause, Import-Export Clause, and Supremacy Clause.

(2) State Constitutions

- State constitutions also impose limits on how the state may impose taxes or place certain conditions on such imposition. Many state constitutions include one or more of the following: Due Process and Equal Protection Clauses, Uniformity Clause, and Tax Limitation Clauses.

To find all constitutional provisions relating to your issue:

- On the State tab of CCH Tax Research NetWork, under the Practice Aids blue bar, select Tax Laws by State. Select the appropriate state. Menu walk through the constitutional sections until you have located the constitutional provision you need. *or*
- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar,

select the appropriate state. Word search for your topic, using the Search Options button to limit your search to explanations. There you will find CCH analysis of the topic with links to all of the relevant primary source documents, including constitutional provisions, which you will want to consult. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

■ State Statutes

- State tax laws are the source of and primary research authority for state taxes. While most state statutes that impact tax issues are located in the tax code or revenue code, often other statutes have an impact on tax issues.

If you are not sure which state statutes govern your issue:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to State Tax Laws. You will get a list of every state tax provision that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult. *or*
- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to explanations. There you will find CCH analysis of the topic with links to all of the relevant primary source

documents, including state law provisions, which you will want to consult. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

However, if you already know your statute section and merely want to consult it:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Enter a citation search for the section of interest. *or*
- On the State tab of CCH Tax Research NetWork, under the Practice Aids blue bar, select Tax Laws by State. Menu walk until you find the section of interest.
- To ensure you are capturing the very latest developments, run your search again choosing the appropriate state in Final and Pending Legislation, under the Practice Aids blue bar.

■ State Regulations

- The tax authority in each state has promulgated rules and regulations that detail how state taxes are to be administered. In most states, these rules and regulations are codified in an administrative code. Often, state legislatures pass tax laws that are purposefully incomplete as to certain procedures to be followed, and instruct the tax authority to promulgate regulations as to the procedures.

If you are not sure which regulations govern your issue:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to State Regulations. You will

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get a list of every state tax regulation that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult. *or*

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to explanations. There you will find CCH analysis of the topic with links to all of the relevant primary source documents, including state regulations, which you will want to consult. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

However, if you already know your regulation section and merely want to consult it:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Enter a citation search for the section of interest.
- To ensure you are capturing the very latest developments, run your search again choosing the appropriate state in Regulatory Activity, under the Practice Aids blue bar.

■ Court Cases and Decisions

(1) Federal Courts

- Although the vast majority of tax cases are heard by the state courts, in certain situations, the federal courts have authority to resolve state tax matters. In addition, the United States Supreme Court has the ultimate decision on state tax cases in which federal Constitutional claims are raised.

(2) State Courts

- An important part of tax law in each state is the state court decisions on tax matters. Court decisions often clarify the tax treatment of certain transactions and taxpayers where the statutes or regulations are unclear, or where the tax authority has improperly applied them.

To find all cases and decisions relating to your issue:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to the type of court decision you are interested in. The courts are found as subtopics of Cases and Rulings. You will get a list of every court decision that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

If you know the citation of the case you are interested in:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Enter a citation search for the case or decision in which you are interested.
- To ensure you are capturing the very latest developments, be sure to run your search selecting Cases and Rulings in the News for the desired state under the Current Features blue bar.

■ Revenue Department Authority and Guidance

- Most state tax authorities issue documents relating to the taxes which they administer. Some of these documents are authoritative, while others simply provide guidance.

(1) Revenue Department Policy Statements

- Most tax authorities issue policy statements regarding the taxes they administer. These policy statements are given different names (Tax Rulings, Bulletins, FAQs, Notices, Information Letters, Advice Memoranda) but all deal with general topics rather than a specific taxpayer.

(2) Revenue Department Letter Rulings

- Unlike policy statements, letter rulings deal with specific taxpayers and facts. In some cases, letter rulings are posed as hypothetical facts by a taxpayer considering a course of action to see the tax authority's position on the subject. When released to the public, these are generally redacted documents so that no taxpayer identifying information is included. Often letter rulings indicate they only apply to the particular facts and taxpayer at issue in the ruling. Generally, letter rulings are not authoritative, except to the taxpayer that requested the ruling. However, they can give the researcher guidance as to how the taxing authority might analyze a similar fact situation.

(3) Revenue Department Decisions

- Unlike letter rulings, which are generally issued before a taxpayer takes an action with tax consequences, decisions by the tax authority which actually decide the tax controversy after the taxpayer has acted are issued as departmental decisions. Generally, departmental decisions are not authoritative (precedential), except to the taxpayer involved in the decision. However, such decisions can give the researcher guidance as to how the taxing authority might decide a similar fact situation.

(4) Revenue Department Newsletters

- Many tax authorities issue monthly or quarterly newsletters containing tax information. Newsletters are not authoritative (precedential), but are often a good source of general information.

To find Revenue Department Authority and Guidance:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to Administrative Releases, which is found as a subtopic of Cases and Rulings. You will get a list of every administrative document that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

If you know the citation of the document you are interested in:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Enter a citation search for the type of document desired.
- To ensure you are capturing the very latest developments, be sure to run your search selecting the Cases and Rulings in the News under the Current Features blue bar.

■ Attorney General Opinions

- In most states, the state attorney general issues advisory opinions on questions relating to tax matters. Generally, the questions are limited to those coming from state or municipal officials rather than from private citizens.
- To find Attorney General Opinions:

- Word search for your topic, using the Search Options button to limit your search to Administrative Releases, which is found as a subtopic of Cases and Rulings. You will get a list of every administrative document, including attorney general opinions, that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

If you know the citation of the attorney general opinion you are interested in:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Except for states that have very few attorney general opinions, you will find a line where you can enter a citation for the attorney general opinion desired.
- To ensure you are capturing the very latest developments, be sure to run your search selecting the Cases and Rulings in the News under the Current Features blue bar.

II. Primary Authority—Administrative Decisions

- Administrative Law Judge, Tax Court, and Board of Tax Appeals Decisions
- In most states, there is a level of administrative review of the decisions by the state tax authority. In some states this administrative review is done by administrative law judges, while in others there is a tax court or tax board that hears these appeals. It should be noted that in some states the “tax court” is an administrative body, while in other states it is actually a part of the state judicial system.

To find Administrative Law Judge, Tax Court, and Board of Tax Appeals Decisions:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Word search for your topic, using the Search Options button to limit your search to the type of decision you are interested in. Each type of decision can be found as a subtopic of Cases and Rulings. Administrative Law Judge decisions will be found as Administrative Releases and Tax Court and Board of Tax Appeals decisions are separate subtopics. You will get a list of every court decision that contains that search term. A search that is not limited to a specific document type can work, too, but might result in more documents than you really need to consult.

If you know the citation of the decision you are interested in:

- On the State tab of CCH Tax Research NetWork, under the State Tax Reporters blue bar, select the appropriate state. Enter a citation search for the decision desired.
- To ensure you are capturing the very latest developments, be sure to run your search selecting the Cases and Rulings in the News under the Current Features blue bar.

State Tax Forms/Instructions

- State tax forms are an underutilized source for tax research, particularly as it relates to computing the amount of tax or the various credits available. Often information and examples are included on a form or its instructions that are not otherwise published.

To find State Tax Forms:

- On the Perform Plus II Tab of CCH Tax Research NetWork, under the Forms blue bar, select the State Tax Forms.
- On the State Tab, under State Tax Reporters, states with a

corporate income tax have selected form instructions reproduced. Navigate to the selected state, choose the corporate income tax type, and Forms Instructions appears on the menu.

Conclusions and Summary of Suggestions for State Research

The CCH State Tax Reporters, available on the CCH Tax Research NetWork are the most comprehensive and current state tax authority in the industry.

As suggested above, menu walking in the TRN is a good way to locate research materials, which are presented in various document categories. A menu walk navigation is helpful to an understanding of the topics and subtopics covered in a State Tax Reporter, and has the additional benefit of providing an approach that is comfortable to one who has used print research products either in the past or currently.

Word searching is powerful and fast, but does tend to require more initial knowledge of the subject matter to be productive. The CCH Tax Thesaurus, located under Search Options, is normally turned on by default, and may be helpful in locating appropriate documents when word searching. Also under Search Options, it is recommended that Sort by Relevance be turned off (unchecked) as a preference for state and local tax research.

When researching in one state, or particularly when researching in multiple states, charts such as the Multistate Quick Answer Charts, or CCH Smart Charts, may help to quickly outline the issues and quickly provide links to both primary sources and CCH explanations.

Explanations are the key element in State Tax Reporter research. CCH's state editors incorporate all of the levels of legal authority discussed above into clear and concise discussions of the many topics presented on state taxation. Linking from ex-

planations is an excellent method to productively use the editorial knowledge incorporated into the explanations to rapidly find laws, regulations, and major cases. For more complete research, explanations always present links to annotations, which editorially summarize cases, rulings, and other documents that are related to a particular explanation. The annotations, in turn, provide a quick link to actual text of the document that is summarized by an annotation. For all of these reasons, explanations are the best starting point when using the CCH State Tax Reporters.

CCH MULTISTATE GUIDES for SPECIALIZED TAX RESEARCH

Content Presented in the CCH Multistate Guides

CCH's State Tax product line includes three Multistate Guides: Multistate Corporate Income Tax Guide; Multistate Sales Tax Guide; and the Multistate Property Tax Guide. Each of these Multistate Guides presents material that covers the tax type listed in the product title, plus selected additional content. Each Guide includes CCH Explanations, state laws, regulations, and cases & rulings on the applicable topic. Specifically, here is the major content for each of these Multistate Guides:

CCH Multistate Corporate Income Tax Guide

- **Multistate Corporate Income Tax Quick Answer Charts**—Over forty charts provide comparative multistate information on corporate income tax topics.
- **Overview**—A special group of explanations covers state tax topics on a multistate basis, for a general understanding of business income tax issues. Additional general reference materials are included in this part of the Guide.

- **State by State Explanations**—Every state with corporate income type tax provisions is represented in an A to Z style menu on the CCH Tax Research NetWork. Explanations also are included for state Franchise taxes, as applicable, and for each state's Practice & Procedure provisions. In each state, the explanations presented are derived from the CCH State Tax Reporters. Thus, the paragraph ranges presented begin with ¶5-xxx for Franchise discussions, ¶10-xxx for Corporate Income discussions, and ¶89-xxx for treatment of state Practice & Procedure.

CCH Multistate Sales Tax Guide

- **Multistate Sales Tax Guide Quick Answer Charts**—Over forty charts provide comparative multistate information on sales and use tax topics.
- **Overview**—A special group of explanations covers state tax topics on a multistate basis, for a general understanding of sales and use tax issues. Additional general reference materials are included in this part of the Guide, including Streamlined Sales Tax documents.
- **State by State Explanations**—Every state with sales/use type tax provisions is represented in an A to Z style menu on the CCH Tax Research NetWork. Explanations also are included for state Unclaimed Property provisions, for each state's Practice & Procedure provisions, and for certain sales-based state tax measures such as a state tax on lodging. In each state, the explanations presented are derived from the CCH State Tax Reporters. Thus, the paragraph ranges presented begin with ¶60-xxx

Sales Tax discussions, and ¶89-xxx for treatment of state Practice & Procedure. Paragraph ranges vary by tax for other materials presented.

CCH Multistate Property Tax Guide

- **Multistate Property Tax Quick Answer Charts**—Over ten charts provide comparative multistate information on property tax topics.
- **Overview**—A special group of explanations covers state tax topics on a multistate basis, for a general understanding of property tax issues.
- **State by State Explanations**—Every state with property tax provisions covering real and/or personal property is represented in an A to Z style menu on the CCH Tax Research NetWork. Explanations also are included for state Property taxes, and for each state's Practice & Procedure provisions. In each state, the explanations presented are derived from the CCH State Tax Reporters. Thus, the paragraph ranges presented begin with ¶20-xxx for Property discussions, and ¶89-xxx for treatment of state Practice & Procedure.

Researching in the CCH Multistate Guides

The Multistate Guides are part of an integrated product line with the CCH State Tax Reporters. Each Guide presents its specialized topics in the same manner as used in the Reporters. The CCH Explanations, state laws, regulations, and cases & rulings are presented for the applicable tax type, and are listed in a menu directly under the name of each state. Research is performed in the same

manner as in a State Tax Reporter. Researchers may use a menu-walk approach, a word search method, or may combine these methods. For additional discussion of research in the CCH State Tax Reporters, please refer to How to Use a CCH State Tax Reporter.

Note: The text below is intended to be entered after the “Conclusions and Summary of Suggestions for State Research” paragraph, and before the “CCH SPECIALIZED GUIDES ...” paragraph.

Special Research Features Included with CCH State Tax Reporters

Full State Tax Reporter subscriptions include two types of customizable research charts: State Smart Charts, and State Legislative Developments. These features provide key information tailored to each individual state and the District of Colombia, and an alternative way to conduct state tax research.

- **State Smart Charts**--The individual state Smart Charts provide information on a variety of tax types, including corporate and pass-through income tax, personal income tax, sales and use taxes, property and other taxes, as well as unclaimed property. The actual chart topics available depend on the taxes imposed by a particular state.

The state Smart Charts are launched from the State tab by first selecting the desired state. On the next screen the Smart Charts for that state are listed as a menu option. Once selected, the Smart Charts open in a new window. The menu of available chart topics may be navigated with plus/minus selections, or by

expanding/contracting all available topics. After selecting a topic, the Next button may be used to obtain the chart. Note that recent changes may be seen highlighted in yellow, and the user may turn the feature off or change the default time period of 30 days on a drop-down menu. Hyperlinks are presented to allow extended research into primary authority such as state laws or regulations, and into CCH State Tax reporter editorial explanations. The chart may be saved, printed or exported to MS Excel or MS Word, and the hyperlinks will remain active in the downloaded file.

- **State Legislative Developments**--The state Legislative Developments tool allows users to locate any tax laws enacted by a state within an available year for the various tax types covered in the CCH State Tax Reporters.

The state Legislative Developments are launched from the State tab by first selecting the desired state. On the next screen Legislative Developments are listed as a menu option. Once selected, Legislative Developments opens in a new window. In this window, the state tax types are presented for each available year, beginning with 2006. The researcher may select all tax types or any combination of them. The Next button will trigger the creation of the chart. Note that recent changes may be seen highlighted in yellow, and the user may turn the feature off or change the default time period of 30 days on a drop-down menu. Chart entries hyperlink to a CCH *State Tax Day* summary, as well as to the formal text of the bill. The chart may be saved, printed or exported to MS Excel or MS Word, and the hyperlinks will remain active in the downloaded file.

