

# State Tax Impact of COVID-19: A Conversation with Revenue Department Officials

ReedSmith

**Reed Smith State Tax  
Live Webinar  
April 1, 2020**

**Reed Smith Moderator:**

Jeremy Abrams  
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**Reed Smith Speaker:**

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# Agenda

- Opening Remarks and Introductions
- Overview of Covid-19 State Tax Issues
- District of Columbia Update
- Illinois Update
- Oregon Update
- Pennsylvania Update
- Texas Update
- Question & Answer Session

# Opening Remarks and Introductions



Jeremy Abrams

# Guest Speakers

- Keith J. Richardson
  - *Deputy Chief Financial Officer, District of Columbia Office of Tax and Revenue*
- Brian E. Fliflet
  - *Acting General Counsel, Illinois Department of Revenue*
- Deanna Mack
  - *Government Relations Manager for Personal, Corporate and Payroll Taxation, Tobacco and Marijuana Taxation, and Collections, Oregon Department of Revenue*
- Thomas J. Gohsler
  - *Chief Counsel, Pennsylvania Department of Revenue*
- Karey Barton
  - *Associate Deputy Comptroller – Tax, Texas Comptroller’s Office*

\*Speaker bios are included in the materials package\*

# Overview of Covid-19 State Tax Issues

- In response to the pandemic, state and local governments are using various strategies to provide relief to businesses and individuals
  - Tax legislation
  - Tax guidance
  - Executive Orders
- Federal return filing and payment deadlines have been extended to July 15<sup>th</sup>
  - Some states have conformed
  - Some states have chosen other deadlines
  - Some states conform only for certain kinds of taxpayers



Priscilla Ayn Parrett

# Overview of Covid-19 State Tax Issues

- States are also taking action with regards to taxes other than income taxes
  - Extending deadlines
  - Providing relief from penalties and interest
- There are a number of moving parts to consider
  - Do teleworking employees create new nexus for your company?
    - New Jersey this week announced it is waiving the nexus thresholds for employees working from home
- State tax impact of the federal Coronavirus Aid, Relief, and Economic Security Act
  - The Act provides a temporary relaxation of rules limiting the business interest expense deduction
  - Temporary relaxation of rules limiting NOLs
  - Relaxation of excess business loss rules
  - Refundable employee retention credits, among other things
- Will your company be ordered to act under the Defense Production Act?



# District of Columbia

Keith J. Richardson  
*Deputy Chief Financial Officer*  
*District of Columbia Office of Tax and Revenue*

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# Resources

- **See Presentation Materials for copies of notices and announcements**
- **For the latest information and resources on COVID-19, go to [coronavirus.dc.gov](https://coronavirus.dc.gov)**



# Polling Question # 1

What Covid-19-related state tax issue do you predict will pose the biggest challenge for your company's tax department?

- A. Impact on corporate income tax filings
- B. Indirect tax
- C. Outstanding audits
- D. Changes to apportionment and allocation



# Illinois

Brian E. Fliflet

*Acting General Counsel  
Illinois Department of Revenue*

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# Resources

- **See Presentation Materials for copies of notices and announcements**
- **For the latest information and resources on COVID-19, go to [https://www2.illinois.gov/rev/Pages/Taxpayer-Resources-during-COVID-19-\(Coronavirus\)-Outbreak.aspx](https://www2.illinois.gov/rev/Pages/Taxpayer-Resources-during-COVID-19-(Coronavirus)-Outbreak.aspx)**

## Polling Question # 2

How has Covid-19 affected your company most?

- A. Mandatory business shut down
- B. Major hit to revenue projections
- C. Employees working from home
- D. All of the above
- E. Nothing has changed

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# Oregon

Deanna Mack

*Government Relations Manager representing Personal, Corporate and Payroll Taxation, Tobacco and Marijuana Taxation, and Collections  
Oregon Department of Revenue*

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# Resources

- **See Presentation Materials for copies of notices and announcements**
- **For the latest information and resources on COVID-19, go to <https://www.oregon.gov/dor/Pages/COVID19.aspx>**



# Pennsylvania

Thomas J. Gohsler

*Chief Counsel*

*Pennsylvania Department of Revenue*

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# Resources

- **See Presentation Materials for copies of notices and announcements**
- **For the latest information and resources on COVID-19, go to <https://www.revenue.pa.gov/Pages/COVID19.aspx>**



## Polling Question # 3

The best part about working from home is \_\_\_\_\_?

- A. Spending more time with family
- B. Not sitting in traffic / on public transportation for two hours each day
- C. Get to stay in pajamas all day
- D. Don't have to see my coworkers
- E. All of the above



# Texas

Karey Barton

*Associate Deputy Comptroller – Tax  
Texas Comptroller's Office*

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# Resources

- **See Presentation Materials for copies of notices and announcements**
- **For the latest information and resources on COVID-19, go to <https://comptroller.texas.gov/about/emergency/>**

# Question and Answer Session

# Thank You!



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