

Multistate Corporate Tax Guide (Healy and Schadewald), State-by-State Summary

State-by-State Summary

The following chart summarizes whether certain in-state activities of a financial institution are sufficient to create nexus. The chart is divided into three parts, as follows:

- Part 1: Credit Cards/Loans/Closing Mortgages/Solicitation via Mail
- Part 2: Solicitation via Web Sites/Debt Obligations Secured by In-State Property
- Part 3: Servicing Loans/Telemarketing Firm/Foreclosures

Credit Cards/Loans/Closing Mortgages/Solicitation via Mail

Financial Institutions (Part 1) Credit Cards/Loans/Closing Mortgages/Solicitation via Mail

Legend:

- X These activities create income tax nexus
 NA Not applicable
 NR Not reported

	<i>Residents of State Hold the Institution's Credit Cards</i>	<i>Unsecured Consumer Loans Made to State Residents</i>	<i>Commercial Loans Made to State Residents</i>	<i>Mortgage Loans Made to State Residents Secured by In-State Realty</i>	<i>Hires In-State Unrelated Third Party to Close Mortgages</i>	<i>Solicits Loans or Credit Cards Through the Mail in State</i>
Alabama	Not subject to income tax levy.....					
Alaska	NR	NR	NR	NR	NR	NR
Arizona	X	X	X	X	X	
Arkansas	X	X	X	X	X	
California	Depends on facts	Depends on facts	Depends on facts	Depends on facts	X, See Corp Code Sec 2104	Depends on facts and circumstances.
Colorado	X	X	X	X		
Connecticut	X	X	X	X	NR	X
Note.	See Informational Publication 2010 (29.1), Q&A on Economic Nexus					
Delaware	File with Delaware Bank Commissioners Office.....					
District of Columbia	X	X	X	X	X	X
Florida	X	X	X	X	X	
Georgia			Depends on facts.	X	X	
Hawaii					X	

	Subject to tax on financial corporations.....					
Idaho	X, effective 1-1-08	X, effective 1-1-08	X, effective 1-1-08	X, effective 1-1-08	X, effective 1-1-08	X, effective 1-1-08
Illinois	Nexus determinations can only be made in the context of an audit wherein the auditor would have full access to all pertinent information. Please note that Illinois determines "doing business" utilizing the prevailing principles of jurisprudence under the Commerce and Due Process Clauses of the United States Constitution as applied to the facts in each case. For further information, see 86 Ill. Admin. Code § 100.9720.					
Indiana	X	X	X	X		X
Iowa	X	X	X	X	X	X
Kansas	X		X	X		
Kentucky						
Louisiana						
Maine	X		X	X		
Maryland						
Massachusetts	X	Depends on facts	Depends on facts	X	X	
Note:	See Directive 95-6					
Michigan					X	X, if solicitation constitutes "active solicitation" and taxpayer has \$350,000 or more in gross receipts sourced to Michigan
Note:	The CIT took effect 01/0112, and replaced the Michigan Business Tax (MBT) for most taxpayers. However, businesses that have been approved to receive, have received, or have been assigned certain certified credits may elect to file a return and pay the tax imposed by the MBT in lieu of the CIT until the certified credits are exhausted or extinguished.					
Minnesota	X	X	X	X	X	
Mississippi						
Missouri	X	X	X	X	X	
Montana	X	X	X	X	X	
Nebraska						
Nevada	Nevada does not impose a corporate income tax.....					
New Hampshire	X	X	X	X	X	
New Jersey	X, possibly	X, possibly	X, possibly	X		
New Mexico	X			X	X	
New York	Yes, if threshold number of in-state customers is exceeded	"Nexus requires physical presence in the state".	"Nexus requires physical presence in the state".	"Nexus requires physical presence in the state".	"Nexus requires physical presence in the state".	"Nexus requires physical presence in the state".
North Carolina	X			X	X	X
North Dakota	X		X	X	X	X
Ohio	Ohio does not impose a corporate income tax.....					
Oklahoma						
Oregon	X	X	X	X	X	X
Pennsylvania	X	X	X	X	X	X
Rhode Island						

South Carolina	X	Depends on additional facts	Depends on additional facts	Depends on additional facts	X	X
South Dakota	South Dakota does not impose a corporate income tax					
Tennessee						
Texas						X
Utah	X	X	X	X	X	
Vermont						
Virginia						
Washington	Washington does not impose a corporate income tax.....					
West Virginia	X	X	X	X	X	
Wisconsin	X	Depends on facts	X	X		Depends on facts
Wyoming	Wyoming does not impose a corporate income tax.....					

Solicitation via Web Sites/Debt Obligations Secured by In-State Property

Financial Institutions (Part 2)

Solicitation via Web Sites/Debt Obligations Secured by In-State Property

Legend:

X	These activities create income tax nexus
NA	Not applicable
NR	Not reported

	<i>Solicits Loans or Credit Cards Via Internet Web Site</i>	<i>Purchased Mortgages in Secondary Market on In-State Property</i>	<i>Purchased Consumer Loans to State Residents in Secondary Market, Secured by Tangible Personal Property</i>	<i>Purchased Credit Card Receivables of State Residents in Secondary Markets</i>	<i>Made Consumer Loans Secured by In-State Tangible Personal Property to State Residents</i>
Alabama	Not subject to income tax levy.....				
Alaska	NR	NR	NR	NR	NR
Arizona		X	X		X
Arkansas		X	X	X	X
California	Depends on facts and circumstances.	See Cal. Corp. Code §2104	See Cal. Corp. Code §2104	See Cal. Corp. Code §2104	X
Colorado		X	X	X	X
Connecticut	X	NR	X	NR	No written guidance
Delaware	File with Delaware Bank Commissioner's Office.....				
District of Columbia		X	X	X	X
Florida		X	X	X	X
Georgia		Depends on facts	Depends on facts		X

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Hawaii	Subject to tax on financial corporations.....				
Idaho	X, effective 1-1-08	X, effective 1-1-08		X, effective 1-1-08	
Illinois	Nexus determinations can only be made in the context of an audit wherein the auditor would have full access to all pertinent information. Please note that Illinois determines “doing business” utilizing the prevailing principles of jurisprudence under the Commerce and Due Process Clauses of the United States Constitution as applied to the facts in each case. For further information, see 86 Ill. Admin. Code § 100.9720.				
Indiana	X	X	X	X	X
Iowa					X
Kansas					X
Kentucky					
Louisiana					
Maine		X	X	X	X
Maryland			X	X	X
Massachusetts	Depends on facts	Depends on facts	Depends on facts	Depends on facts	Depends on facts
Note: See Directive 95-6					
Michigan	X, if solicitation constitutes “active solicitation” and taxpayer has \$350,000 or more in gross receipts sourced to Michigan				
Note. The CIT took effect 01/0112, and replaced the Michigan Business Tax (MBT) for most taxpayers. However, businesses that have been approved to receive, have received, or have been assigned certain certified credits may elect to file a return and pay the tax imposed by the MBT in lieu of the CIT until the certified credits are exhausted or extinguished.					
Minnesota					X
Mississippi					
Missouri		X	X	X	X
Montana					X
Nebraska					
Nevada	Nevada does not impose a corporate income tax.....				
New Hampshire	X	X	X	X	X
New Jersey					
New Mexico	X				X
New York	Nexus requires physical presence in the state.....				
North Carolina	X	X			X
North Dakota	X				X
Ohio	Ohio does not impose a corporate income tax.....				
Oklahoma					
Oregon	X	X	X	X	X
Pennsylvania	X	X	X	X	X
Rhode Island					
South Carolina	X	Depends on additional facts	Depends on additional facts	Depends on additional facts	Depends on additional facts
South Dakota	South Dakota does not impose a corporate income tax				
Tennessee					X
Texas					
Utah					X

Vermont					
Virginia					
Washington	Washington does not impose a corporate income tax.....				
West Virginia		X	X		X
Wisconsin	Depends on facts	X	X	Depends on facts	X
Wyoming	Wyoming does not impose a corporate income tax.....				

Servicing Loans/Telemarketing Firm/Foreclosures

Financial Institutions (Part 3) Servicing Loans/Telemarketing Firm/Foreclosures

Legend:
X These activities create income tax nexus
NA Not applicable
NR Not reported

	<i>Hires Unrelated Party In-State to Service Loans</i>	<i>Hires Related Party In-State to Service Loans</i>	<i>Hires Telemarketing Firm In-State to Market Credit Cards or Loans</i>	<i>Forecloses on In-State Properties</i>
Alabama	Not subject to income tax levy.....			
Alaska	NR	NR	NR	NR
Arizona	X	X	X	X
Arkansas	X	X	X	X
California	X, See Cal. Corp. Code §2104	X	X	X, See Cal. Corp. Code §2104
Note. While physical presence will create nexus, it is not an indispensable element of nexus. A nexus determination depends on all the facts and circumstances. Starting in 2011, California has added to its "doing business" nexus standard a factor presence test. See Cal. Rev. & Tax Code §23101. The factor presence test in Cal. Rev. & Tax Code §23101 does not eliminate the old nexus standard which provides that every corporation "actively engaging in any transaction for the purpose of financial or pecuniary gain or profit" in California is "doing business" in California. Furthermore, answers to questions addressing highly factual areas, specifically relating to nexus, are necessarily general in nature and may change based upon the specific fact pattern presented and the constantly changing nature of the law regarding nexus. These answers make no attempt to address the imposition of any fee or license, filing requirements, distinctions between nexus and doing business, withholding responsibilities, or the consequences of unity and foreign commerce.				
Colorado				
Connecticut	NR	NR	X	X
Note. See Informational Publication 2010 (29.1), Q&A on Economic Nexus				
Delaware	File with Delaware Bank Commissioners Office.....			
District of Columbia	X	X		X
Florida	X	X	X	X
Georgia	X	X	X	X
Hawaii	X	X	X	Depends on facts and circumstances
	Subject to tax on financial corporations.....			
Idaho	X, effective 1/1/08	X, effective 1/1/08	X, effective 1/1/08	X, effective 1/1/08
Illinois	Nexus determinations can only be made in the context of an audit wherein the auditor would have full access to all pertinent information. Please note that Illinois determines "doing business" utilizing the prevailing principles of jurisprudence under the Commerce and Due Process Clauses of the United States Constitution as applied to the facts in each case. For further information, see 86 Ill. Admin. Code § 100.9720.			
Indiana		X	X	

Iowa	X	X	X	X
Kansas		X		X
Kentucky				
Louisiana				X, unless taxpayer is an organization under La. Rev. Stat. §12:302(K) & (L).
Maine	X	X		X
Maryland	Not if unrelated	X	X	
Massachusetts	X	X		X
Note: See Directive 95-6				
Michigan	X	X	X	X
Note. The CIT took effect 01/0112, and replaced the Michigan Business Tax (MBT) for most taxpayers. However, businesses that have been approved to receive, have received, or have been assigned certain certified credits may elect to file a return and pay the tax imposed by the MBT in lieu of the CIT until the certified credits are exhausted or extinguished.				
Minnesota	X	X	X	
Mississippi				
Missouri	X	X	X	X
Montana	X	X	X	X
Nebraska		X		X, if a financial institution takes title to the property
Nevada	Nevada does not impose a corporate income tax.....			
New Hampshire	X	X	X	X
New Jersey			X	X
New Mexico	X	X		X
New York	Nexus requires physical presence in the state.....			
North Carolina	X	X	X	X
North Dakota	X	X		X
Ohio	Ohio does not impose a corporate income tax.....			
Oklahoma				
Oregon	X	X	X	X
Pennsylvania	X	X	X	X
Rhode Island				X
South Carolina	X	X	X	X
South Dakota	South Dakota does not impose a corporate income tax			
Tennessee				X
Texas	X	X	X	X
Utah	X	X		X
Vermont				
Virginia				X
Washington	Washington does not impose a corporate income tax.....			
West Virginia	X	X	X	X
Wisconsin		X	X	X
Wyoming	Wyoming does not impose a corporate income tax.....			