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corporate income tax issues arising from pure e-commerce transactions.

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Thomson Reuters has released a special report, *The Tricky Intersection of E-Commerce and State Corporate Income Taxes*, which addresses some of the many corporate income tax issues arising from pure e-commerce transactions.

The last few decades have seen enormous changes in the ways companies do business — changes that states' corporate income tax laws did not anticipate. Companies increasingly engage in transactions with customers in a state while lacking any of the contacts traditionally associated with sales of goods or performance of services. Sales of products can involve downloads and streaming of items that cannot be touched or held, and services can be performed remotely rather than in proximity to the customer.

“These ‘pure e-commerce transactions’ raise many corporate income tax issues that states are only beginning to consider, much less address,” said Rebecca Newton-Clarke, J.D., senior editor/author for Checkpoint Catalyst with the Thomson Reuters Tax & Accounting business. “New kinds of transactions are continually emerging, outpacing states’ ability to catch up.”

“Even within states that have acknowledged the shift to a digital economy, there are areas of uncertainty,” added Melissa Oaks, J.D., LL.M., senior editor/author for Checkpoint Catalyst with the Thomson Reuters Tax & Accounting business. “This report helps tax professionals navigate the complexities involved in digital transactions across state lines.”

The report examines issues of nexus (the state’s jurisdiction to tax), including attributional nexus, economic nexus, and factor presence laws. It provides apportionment basics as well as alternative apportionment and special industry

formulas. The report also addresses classification and sourcing sales factors in

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- Sales & Use Tax: Nexus
- Sales & Use Tax: E-Commerce

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