



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 8 | September 2020

In This Issue

- **The Trouble with Home Rule Jurisdictions**
- **What You need to Know About Virtual Currency**
- **State Tax Issues Associated with Troubled Companies**
- **Focus on New Jersey**

Download Our Brochure!



Find Peace of Mind

Navigate the dynamic multi-state tax environment with Miles Consulting

Quick Links

[Visit Miles Consulting Group, Inc.](#)

Connect With Us



Contact Us

Address: 3150 Almaden Expressway, Suite 110
San Jose, CA 95118

Greetings!

Happy Autumn! If you have noticed the days getting shorter, you are not the only one. The northern hemisphere celebrated its first day of autumn as the sun was directly over the equator on September 21. From now on, the sun continues its journey to 23.5 degrees south latitude. If you're already missing summer, you're not alone!

Our team has been keeping busy in this last month of summer. Some recent projects include helping several clients navigate marketplace facilitator rules, audit support for SaaS companies in CA, NY, WA and Chicago, to name a few, and assisting with various sales tax, income tax and sales tax compliance matters. Any of that sound like issues you and your company may be facing? We thought so!

Check out our multistate articles in this month's newsletter. We explore the trouble with home rule jurisdictions, we share information about virtual currency, and our state spotlight is on the Garden State of New Jersey. We also explore some state tax issues associated with troubled companies, including cancellation of debt income and how treatment may differ from federal rules. We hope you and yours continue to be safe and healthy during this challenging time.

Happy Fall!

Fondly,
Monika Miles & Bill Loew
Miles Consulting Group, Inc.



Phone: 408.266.2259

Email:

info@milesconsultinggroup.com

[Join Our Mailing List](#)



THE TROUBLE WITH HOME RULE JURISDICTIONS

Over the past two years following the [2018 Wayfair decision](#), which has allowed more than 40 states to implement economic nexus legislation, we've seen these laws affect retailers in sometimes [unexpected ways](#). Take, for example, home rule jurisdictions. In a post-Wayfair world, the tax burden they create can come as a rude awakening for retailers and legislators alike.



[Click here to read more about the trouble with home rule jurisdictions.](#)

WHAT YOU NEED TO KNOW ABOUT VIRTUAL CURRENCY

You're probably familiar with the common question, "Cash or card?" However, over the last decade, a newcomer has entered the race. Virtual currencies, and its subset "cryptocurrencies," which use cryptography to validate and secure transactions, have exploded onto the scene, offering a brand-new avenue for commerce. However, similar to the lack of consistency among economic nexus and marketplace facilitator laws, legislation concerning virtual currencies also varies wildly state to state.



[Click here to read more about what you need to know about virtual currency.](#)

STATE TAX ISSUES ASSOCIATED WITH TROUBLED COMPANIES

As we hear about the increase in bankruptcies and debt restructuring, corporations often assume that the state income tax treatment will mirror that of the Internal Revenue Service. This is far from the truth in many states. In our experience, the state tax consequences are often thought of at the last minute or ignored entirely. In fact, it is not unusual for these issues to be addressed during the preparation of the state income tax returns



and are rarely analyzed in depth. We'd rather see our clients be proactive!

[Click here to read more about state tax issues associated with troubled companies.](#)

FOCUS ON NEW JERSEY

Nicknamed the Garden State, New Jersey is the fourth smallest of the 50 U.S. States. It is also the 11th most populous state.



New Jersey's most famous city, Atlantic City, is best known for its famous boardwalk. This four-mile-long promenade was constructed in 1870 and to this day remains the place where the majority of the city's attractions are found. Among its most popular tourist spots is Steel Pier, a carnival-style amusement park that has rides for all ages, including a massive observation wheel with climate-controlled gondolas that gives riders amazing views over the city and the ocean year-round.

[Click here to learn more about the tax landscape in New Jersey.](#)

What's Up at Miles Consulting?

Networking:

[NAWBO-SV](#)

Due to the coronavirus, NAWBO'S events are now virtual. You can join us on the 3rd Tuesday of each month at 4:30 for informative Zoom calls on a variety of topics. Entry is free for both members and non-members at this time. Join us for camaraderie, information sharing and a glass of wine!

[AFWA](#)

Due to the coronavirus, AFWA's events are currently suspended. Stay tuned to updates on our annual Gala to take place later this year.

Educating/Speaking:

Our blogs are frequently featured on [Tax Connections](#).

Don't forget- We do customized multi-state tax presentations for local accounting firms; invite us to do one at your firm! Stay tuned for upcoming webinars!

For more information, please call us at 408-266-2259

About Miles Consulting

Miles Consulting Group is a professional

services firm specializing in multi-state tax solutions. We address state and local tax issues for our clients, including general state tax consulting, nexus & taxability reviews, audit support, voluntary disclosure agreements, and other special projects. We also specialize in SaaS and other technology industries. For more information, visit www.milesconsultinggroup.com.