



Legal Alert: MTC Seeks More Bucks Using Transfer Pricing Audits

March 12, 2014

The Multistate Tax Commission plans to announce that they are accelerating their development of a transfer pricing audit program by soliciting the assistance of Dan Bucks, the former MTC Executive Director and Montana Director of Revenue. New Jersey recently asked the MTC to consider hiring transfer pricing auditors to assist in its Joint Audit Program and to help states with complex transfer pricing audits. The MTC subsequently reached out to states to gauge interest and possible funding. Nine states have already expressed interest in funding the cost of obtaining the additional expertise.

Interestingly, the list of interested states includes both separate return states and combined reporting states. Bucks has been tasked with leading a "working group" to explore the MTC's options for transfer pricing audits. The MTC currently has 21 open income tax audits and closed only two audits through the first half of the 2014 fiscal year, which ends June 30, 2014. Adding another layer of complexity from transfer pricing audits likely will not improve the MTC's audit timeliness without adding significant additional resources. Sutherland's SALT Team will monitor the MTC's transfer pricing efforts.

If you have any questions about this Legal Alert, please feel free to contact any of the attorneys listed under 'Related People/Contributors' or the Sutherland attorney with whom you regularly work.

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