

**M. Robinson & Company**  
**Tax Law Specialists**  
**4<sup>th</sup> Annual Tax Update at Bentley University**  
Wednesday, June 24, 2015

**Co-Sponsorship**

This program is co-sponsored by M. Robinson & Company, Tax Law Specialists and the New England Chapter of the American Association of Attorney - CPAs, a national organization.

**Continuing Professional Education (CPE) Credits**

This entire program qualifies for nine (9) credit hours of Continuing Professional Education (CPE) for Certified Public Accountants. The morning program qualifies for four (4) hours and the afternoon program also qualifies for four (4) hours. A complete reconciliation may be found at the end of this brochure.

**No Charge**

This program, including the complimentary lunch, is provided without charge as a service to the profession.

***The Morning Program:***  
**State and Local Taxes**

**Greetings and Orientation**  
(8:00 A.M. to 8:10 A.M.)

**10 minutes**

**Continuing Professional Education (CPE) Credits**

This morning program qualifies for four (4) credit hours of Continuing Professional Education (CPE) for Certified Public Accountants.

**Why You Should Attend**

The morning program is designed to help smaller CPA practice groups retain the most profitable segment of their client base: multi-state businesses. These businesses tend to be larger and more profitable than local “ma and pa” operations. These businesses also have a much greater exposure to state and local taxes – both in their home state and in other states. The Morning Program provides a basic overview of state and local taxes from the perspective of a Massachusetts-based business engaged in interstate commerce.

## **What You Will Learn**

The morning program is designed to give the tax-oriented practitioner a basic working knowledge of state and local taxation from the perspective of a Massachusetts-based business engaged in interstate commerce. It includes the following topics:

- (1) [Taxation of Software Sold or Used in Massachusetts](#)
- (2) [Massachusetts Apportionment of Services Income: The New Apportionment Regulation](#)
- (3) [Does My Business Client Owe Taxes To Another State?](#)
- (4) [Does my Individual Client Owe Taxes to Another State?](#)
- (5) [Massachusetts Appellate Tax Board Update](#)
- (6) [Massachusetts Alternative Dispute Resolution Procedures Update](#)

### **Taxation of Software Sold or Used in Massachusetts** (8:10 A.M. – 8:35 A.M.)

**25 minutes**

#### (1) Background

The manufacture and sale of software is “big business” in Massachusetts. “Canned” software is subject to Massachusetts sales and use taxation on an apportioned basis. Software designed for a customer’s specific use may (or may not) be subject to sales and use taxation. The tax consequences for even small software vendors are huge. A vendor who attempts to collect a sales tax on exempt software subjects itself to a significant competitive disadvantage. But a vendor who fails to collect a sales tax on taxable software sales may become subject to huge taxes, penalties and interest if, upon audit, the software vendor is found to have significantly understated its sales tax liability to the Commonwealth of Massachusetts.

#### (2) What You Will Learn

You will learn the basic distinction between taxable software and tax-exempt software. You will be able to advise your client on whether to request a private letter ruling to resolve whether software is taxable or tax-exempt.

#### (3) Topics

Topics include:

- (1) The basic distinction between taxable software and tax-exempt services
- (2) Taxable and Non-Taxable Software: TIR 2013-XX
- (3) Requesting Private Letter Rulings

(4) Speakers

Shannan Cuddy, JD  
Moody, Famigletti & Andronico  
Tewksbury, MA 01876

Attorney Morris N. Robinson, CPA, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA 02110

**Massachusetts Apportionment of Services Income: The New  
Apportionment Regulation**

**40 minutes**

(8:35 A.M. – 9:15 A.M.)

(1) Background

Massachusetts promulgated a new apportionment regulation (830 CMR 63.38.1) on January 2, 2015. This regulation adopts a market-based approach for the apportionment of income arising from personal services. The new regulation applies to C corporations, S corporations, partnerships and non-resident individuals under c. 63, Section 38(f) MGL. It is effective for taxable years of affected taxpayers beginning on or after January 1, 2014. Prior to this change, Massachusetts reported income arising from personal services under a cost-of-performance standard.

(2) What You Will Learn

You will receive an authoritative overview of this complex regulation. We will also address questions that the audience might wish to ask our panel.

(3) Speakers:

Paul J. Graney  
Director, State and Local Tax Practice, New England Region  
Marcum LLP  
Needham, MA

Attorney Morris N. Robinson, CPA, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

(continued)

**Does My Business Client Owe Taxes To Another State?**  
(9:15 A.M. – 10:00 A.M.)

**45 minutes**

(1) Background

The failure to file income tax returns and pay the related income taxes can sometimes result in large potential assessments of tax, penalties and interest. The statute of limitations on assessment does not begin to run until a tax return is filed. In some cases, a business client begins its contact with a new state with only a single small customer. Over time, the client's contacts with that state become more and more extensive. We sometimes call this "creeping nexus."

(2) What You Will Learn

This program provides CPAs, tax attorneys, and their clients with a basic but accurate overview of when a business becomes subject to income or sales taxes imposed by another state. It also includes some practical advice on how to handle situations where clients are not in full compliance with the tax laws of all states where they operate.

(3) Topics

Topics include:

- |   |            |
|---|------------|
| 1. Multistate <u>Income Tax</u> Update – Inez Mello | 25 minutes |
| (1) Physical Presence Nexus                         |            |
| (2) Economic Presence Nexus                         |            |
| (3) Virtual Nexus – E-commerce                      |            |
| (4) Statutory Nexus                                 |            |
| (5) Statutory/Regulatory Exclusions                 |            |
| (6) Public Law 86-272                               |            |
| 2. Multistate <u>Sales Tax</u> Update – Inez Mello  | 15         |
| (1) Physical Presence Nexus                         |            |
| (2) Virtual Nexus – E-commerce                      |            |
| 3. Q&A  | <u>5</u>   |

45 minutes

(4) Speaker:

Inez Mello, MBA  
Multi-State Tax Consultant  
Stowe & Degen, LLC  
Westborough, MA

## Morning Break

**Morning Break** **15 minutes**  
(10:00 A.M. – 10:15 A.M.)

**Does My Business Client Owe Taxes To Another State?** **25 minutes**  
**(Continued)** (10:15 A.M. – 10:40 A.M.)

(1) Topics - Continued

1. Supreme Court Update and the “Silent” Commerce Clause  
– Morris N. Robinson 12
  2. State Voluntary Disclosure Programs – Patricia Weisgerber 8
  3. Q & A 5
- 25 minutes

(2) Speakers:

Attorney Morris N. Robinson, CPA, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

Attorney Patricia Weisgerber, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

**Does my Individual Client Owe Taxes to another State?** **30 minutes**  
(10:40 A.M. – 11:10 A.M.)

(1) Background

There are many instances where taxes may be owed to more than one state. For example: Employees may live in one state but work in another. Business executives may be moved by their multi-state employers from one state to another state. Business owners may sell their Massachusetts business and move to Florida. Businesses and individuals may purchase tangible personal property in one state and bring it into another state. A non-resident of Massachusetts may own real estate in Massachusetts.

(continued)

(2) What You Will Learn

You will learn when individual taxpayers are subject to taxation by more than one state. You will also learn how to avoid double taxation.

(3) Topics

Topics include a basic overview of

- (1) Domicile
- (2) Residency
- (3) The Foreign State Income Tax Credit
- (4) The Foreign State Sales and Use Tax Credit

(4) Speaker:

Attorney Patricia Weisgerber, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

**Massachusetts Appellate Tax Board Update**

**30 minutes**

(11:10 A.M. – 11:40 A.M.)

(1) Background

The Massachusetts Appellate Tax Board (“ATB”) is the Massachusetts cognate of the United States Tax Court. Under Massachusetts law, the ATB hears all appeals from adverse rulings of the Massachusetts Department of Revenue. The procedural rules permitting the ATB to consider these appeals “on the merits” contain many traps for the unwary.

(2) What You Will Learn

You will learn how to avoid some of the more serious procedural traps that might prevent your client’s case from coming before the Appellate Tax Board. You will also acquire a flavor for what is currently happening at the ATB.

(continued)

(3) Topics

Topics include traps for the unwary revealed in the recently decided Phillips case. We also provide a general review of recently decided cases in the following topic areas.

- (1) Penalty Cases
- (2) Constitutional Cases
- (3) Debt/Equity Cases
- (4) Hobby Loss Case
- (5) Federal Changes

(4) Speaker:

Attorney Yale Yechiel N. Robinson  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

**Alternative Dispute Resolution Procedures Update**

**20 minutes**

(11:40 A.M. – 12:00 Noon)

(1) Background

IRS, the Massachusetts Department of Revenue and the Massachusetts Appellate Tax Board now offer alternative dispute resolution procedures. These procedures are designed to reduce the amount of time it takes to settle cases, thereby reducing audit defense fees and the time government auditors must spend on a case.

(2) What You Will Learn

You will learn of different types of alternative dispute resolution and how to use alternative dispute resolution effectively. This knowledge is essential for all tax-oriented professionals who wish to resolve tax disputes with IRS and the Massachusetts Department of Revenue.

(3) Topics

Topics include:

- (1) Mediation before the Massachusetts Department of Revenue and the Appellate Tax Board
- (2) Expedited Settlement before the Massachusetts Department of Revenue
- (3) Trading Cooperation for Reduced Penalties

(continued)

(4) Speakers:

Attorney Morris N. Robinson, CPA, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

Attorney Patricia Weisgerber, LLM  
M. Robinson & Company, Tax Law Specialists  
Boston, MA

**Total Morning Instruction Time** **215 minutes**

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***Complimentary Lunch***

(12:00 P.M. to 1:00 P.M.) **60 minutes**

**Keynote Speaker: Angela Pitter**

**“Power-Up Your Business with Twitter:”** How Social Media and the Internet Levels the Playing Field for Smaller Professional Practices 20 minutes

Angela Pitter is Founder and CEO of LiveWire Collaborative, a consulting firm which helps professional practices use the Internet successfully. She will help attendees visualize how to implement a successful Twitter strategy for their businesses.

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## *Wine Reception*

(5:00 P.M. – 6:00 P.M.)

### *Continuing Professional Education Credit Hours*

Total Continuing Professional Education Hours

Morning Session	215 minutes
Keynote Speaker	20
Afternoon Session	<u>215</u>
Total Minutes	<u>450</u> minutes
(450 minutes/50 minutes per credit hour)	<u>9</u> hours