

McNees State & Local Tax Group

Solving State & Local Tax Problems

State and local taxes represent a substantial expense even when things are going smoothly. When a state or local tax auditor shows up at the door, matters may go downhill in a hurry. An employee may encounter personal problems and overlook an important exemption, causing a significant tax overpayment. The revenue department may, out of the blue, adopt an interpretation of the tax law that impacts your company in a way never expected. A tax bill may be introduced in the legislature that could potentially cost your company or organization tens or hundreds of thousands or millions of dollars.

The members of the State and Local Tax ("SALT") Group of McNees Wallace & Nurick are dedicated to helping you solve your state and local tax problems, whether through audit representation, an administrative or court appeal, obtaining a favorable letter ruling, developing a legislative strategy to change the law or preserve a provision you support, or another approach designed to address your specific problem.

Pennsylvania State Tax Audits and Appeals

Based in Pennsylvania's capital city, the current members of the McNees State and Local Tax ("SALT") Group have handled more than 1,000 appeals involving Pennsylvania sales and use taxes, corporate net income taxes, capital stock and franchise taxes, gross receipts taxes, insurance premiums taxes, fuels taxes, personal income taxes and other state taxes. We have argued cases before the Department of Revenue's Board of Appeals, the Board of Finance and Revenue, the Commonwealth Court and the Pennsylvania Supreme Court.

The McNees SALT Group also works with companies in dealing with auditors before an assessment is issued – at times successfully heading off issues before they result in assessments and lead to appeals. In addition, we work with companies to improve their tax compliance processes and to identify and

pursue refund opportunities – either in concert with assessment appeals or separately. The Group has been instrumental in obtaining substantial tax refunds for many clients.

Real Estate & Other Local Pennsylvania Taxes

Members of the McNees SALT Group have authored the leading treatise on Pennsylvania real estate tax law and represented clients in 66 of Pennsylvania's 67 counties – before county boards of assessment appeals, county courts and the state appellate courts. We also have represented numerous businesses in contesting local mercantile, business privilege (gross receipts), amusement and other local Pennsylvania taxes across the state.

Multistate Tax Issues

In addition to our substantial experience in dealing with Pennsylvania state and local tax issues, the McNees SALT Group assists clients with many multistate issues.

Abandoned & Unclaimed Property (Escheat)

We have advised many companies on abandoned and unclaimed property (escheat) issues and have represented companies in Treasury Department appeals and in Pennsylvania's appellate courts.

Trade Associations, Legislation, Regulations & Rulings

A tax appeal is not always the answer. We have worked with many trade associations to solve industry-wide tax problems through legislation. And, we have even worked successfully with individual companies to cost-effectively and successfully develop legislative proposals and strategies to address state tax issues of concern to them. In addition, we have often "nipped an issue in the bud" through skillful presentation of an issue to the revenue department to obtain a favorable letter ruling for an individual company or to advocate for adoption of a regulation, publication of a bulletin or the issuance of other administrative guidance.



Charitable Organizations

The McNees SALT Group has assisted many hospitals, YMCAs, economic development organizations and other nonprofits to obtain exempt status for local real estate tax, local gross receipts tax and state sales and use tax purposes.

To help our clients stay up-to-date on the latest developments in Pennsylvania tax law, we regularly post on our blog:

www.McNeesStateAndLocalTax.com.

Pennsylvania State Tax Audits & Appeals Successes:

- Persuaded the Pennsylvania Supreme Court to overturn long-standing Sales and Use Tax precedent, resulting in exemption of facilities not owned, but used by common carriers.
- Assisted many companies in carving out the value and income of foreign and domestic subsidiaries from their Capital Stock, Franchise and Corporate Net Income Taxes.
- Resolved corporate tax apportionment disputes and disputes over the classification of income as “business income” or “nonbusiness income”.
- Argued successfully for many companies to qualify for Manufacturing, Processing and other business exemptions.
- Worked with trucking companies to establish clear corporate nexus standards and favorably resolve IFTA audit appeals.
- Helped companies entering the new green and alternative energy markets to understand Pennsylvania tax compliance, including gross receipts tax issues.
- Resolved numerous sales tax disputes dealing with construction contracts, computer software and a myriad of other issues.

Real Estate & Other Local Pennsylvania Tax Successes:

- Assisted hundreds of commercial, industrial and other clients to reduce their real estate taxes through appeals from countywide reassessments and through annual assessment appeals.

- Represented numerous companies in local business privilege tax audits, appeals from local business privilege, parking and other taxes, and negotiation of amusement tax and other matters.

Abandoned & Unclaimed Property (Escheat) Successes:

- Obtained appellate ruling clarifying company rights in contesting unclaimed property assessments.
- Assisted clients in structuring processes to avoid abandoned and unclaimed property problems.
- Assisted in amending statute to protect company rights.

Legislative, Regs & Rulings Successes:

- Assisted trade association and individual company clients in obtaining amendments to PA Tax Reform Code & Fiscal Code to clarify taxability, establish refund rights, etc.
- Assisted trade associations in seeking regulations, rulings, bulletins, etc. establishing industry nexus guidelines, documentation requirements for refund claims, scope of exemptions, etc.

Charitable Organization Successes:

- Obtained various rulings affirming sales tax exempt status.
- Represented hospitals, colleges and other organizations in administrative and court appeals defending real estate tax exemptions. Contact us today and learn how our experience can support your needs.

Sharon Paxton, Vice-Chair
717.237.5393
spaxton@mcneeslaw.com

Adam Koelsch
717.237.5305
akoelsch@mcneeslaw.com

Catherine E. Wright, Paralegal
717.237.5294
cwright@mcneeslaw.com

Meghan E. Holjes, LL.M.
717.237.5390
mholjes@mcneeslaw.com

Paul R. Morcom
717.237.5364
pmorcom@mcneeslaw.com



Harrisburg, PA • Devon, PA • Lancaster, PA • Scranton, PA • State College, PA
York, PA • Frederick, MD • Columbus, OH • Washington, DC

www.McNeesLaw.com