

**What Federal Tax Reform Might Mean for California and
the Role (if any) for California in the Process**

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Agenda

Roles to Play (A General Overview)

1. The Federal Role in State Tax Policy
2. California's Engagement
 - a. Proactive
(California Delegation/California Companies)
 - b. Reactive
(California Legislation/Litigation)

**Proposed Changes to the Federal System of Taxation
that May Affect California**

1. Why "Reform" – Revenue/Distribution of the Burden
2. How "Reform"
 - a. Personal Income Tax
 - i. Flatten? More Progressive? Sheltering?

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- b. Corporate Income Tax
 - i. Rate Reduction, Exclusions, Deductions
 - ii. Territorial Taxation
- c. Can California Conform?
 - i. Advantages/History/Prop. 26
- d. Radical Change (VAT)?
 - i. California follows (Add-on/BNRT II)

Changes to State Taxation Imposed by the Feds

1. State Jurisdiction to Tax (Nexus)
 - a. SUT/B&C (SSUTA vs. Federal Legislation)
 - b. Mobile Workforce
 - c. Taxation of Retirement Income
 - d. Wireless Tax Fairness Act – H.R. 2002 (S. 543)

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