

Point-Counterpoint / Mandatory Worldwide Combination


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What are we talking about?

What is Mandatory Worldwide Combined Reporting (MWWCR)?



Why are we circling back to this topic today?

- MD, MN, NH and VT have entertained MWWCR proposals in the most recent two years.
 - Strong feelings on both sides of this debate.
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MWWCR appears to be driven by what has been referred to as “abusive international profit shifting”

- Define “abusive” and “profit shifting.” Discuss why it is or is not a significant problem.
- Discuss the basis for the conclusion that a global issue can be resolved at a subnational level.
- Discuss the OECD and US approaches to addressing the issues:
 - Pillar 2
 - The international provisions of TCJA.
- Why the states should or should not rely on the IRS audits of intercompany transactions.
- Other alternative approaches to counter perceived international profit shifting (e.g., addback statutes)

The proponents of MWWCR have argued that states are losing billions of dollars by not adopting MWWCR.

- Discuss how economic studies support or do not support this claim.
- Discuss the revenue estimates that have been developed in response to various states' MWWCR proposals and WWCR revenue predictability.

Discussion of the administrative complexities for both a taxpayer and a taxing authority.

- Taxpayer's perspective
 - Return preparation
 - Audit issues
- WWCR proponents' perspective
 - Proponents' response to business community's compliance concerns
 - Audit programs – retool the audit program

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**Predictions by Mazerov and Wethekam /
a final word by the Moderator**

