

# What's the Next Big Thing for SALT?

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# Presenter



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## Deep questions before someone makes me get a new photo

- Is that really you?
- When was it taken?
- What the heck happened?
- Does this have anything to do with the future of SALT?

# Level-setting with the state of the states

## Back to the trendline but with a better baseline

- Rainy day funds at near historic highs
- A real reset from a state fiscal perspective
  - Sales tax revenues likely to remain on a steady and predictable upward trend with full implementation of Wayfair and continued strong consumer spending
  - Good market performance, continued strength in the job market, and increases in real wages will keep individual income tax collections trending up
  - Unstoppable sin taxes
- Some states still spend more than they have, and some states will have to spend more than they want

# State tax then and now

## From out of the mists of a semi-mythical past...

### Then

- *Hans Rees' Sons Inc. v. North Carolina*, 283 U.S. 123 (1931)
- *Complete Auto Transit, Inc. v. Brady*, 430 U.S. 274 (1977)
- *Boston Stock Exchange v. State Tax Comm'n*, 429 U.S. 318 (1977)
- *Moorman Mfg. Co. v. Bair*, 437 U.S. 267 (1978)
- *Japan Line, Ltd. v. County of Los Angeles*, 441 U.S. 434 (1979)
- *Commonwealth Edison Co. v. Montana*, 453 U.S. 609 (1981)
- *Container Corp. v. Franchise Tax Bd.*, 463 U.S. 159 (1983)
- *Twentieth-Century Fox Film Corp. v. Department of Revenue*, 700 P.2d 1035 (Oregon 1985)
- *Trucking Assns. v. Scheiner*, 483 U.S. 266 (1987)
- *Bacchus Imports, Ltd. v. Dias*, 468 U.S. 263 (1984)
- *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992)
- *Wisconsin Dept. of Revenue v. William Wrigley, Jr., Co.*, 505 U.S. 214 (1992)
- *Allied-Signal, Inc. v. Director, Div. of Taxation*, 504 U.S. 768 (1992)
- *Nordlinger v. Hahn*, 505 U.S. 1 (1992)
- *Geoffrey, Inc. v. South Carolina Tax Comm*, 437 S.E.2d 13 (South Carolina 1993)
- *Associated Industries of Mo. v. Lohman*, 511 U.S. 641 (1994)
- *Barclays Bank PLC v. Franchise Tax Bd. of Cal.*, 512 U.S. 298 (1994)
- *West Lynn Creamery, Inc. v. Healy*, 512 U.S. 186 (1994)
- *Peden v. Kansas Dept. Of Revenue*, 930 P.2d 1 (Kan. 1996)
- *Camps Newfound/Owatonna, Inc. v. Town of Harrison*, 520 U.S. 564 (1997)
- *Meadwestvaco Corp., successor in interest to Mead Corporation, Petitioner. v. Illinois Department of Revenue et al.*, 553 U.S. 16 (2008)
- *Hormel Foods Corp. v. Wisconsin Dep't of Revenue*, No. 07-1-17 (Mar. 29, 2010)
- *Performance Marketing Association, Inc. v. Hamer*, 375 Ill. Dec. 762 (Oct. 18, 2013)
- *Comptroller of the Treasury v. Wynne*; 575 U.S. 542 (2015)
- *Direct Marketing Ass'n v. Brohl*, 135 S. Ct. 1124 (2015)
- *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (2018)

### Now

- *Ellingson Drainage v. Dept. of Revenue*, S.D. 8, Case No. 30280, (Decided Feb. 7, 2024), cert denied
- *Zilka v. Tax Review Board City of Philadelphia*, Nos. 20 EAP 2022, 21 EAP 2022, J-5A-B-2023 (Pa. Nov. 22, 2023)
- *Comcast et al. v. Comptroller of the Treasury of Maryland*, No. C-02-cv-21-000509 (Md. S.Ct., May 9, 2023)
- *American Catalog Mailers Association v. Dep't of Tax'n & Fin.*, N.Y. Sup. Ct., No. 903320-24 (Complaint filed April 5, 2024)
- *Apple, Inc. v. Hegar*, Cause No. D-1-GN-20-004108 (filed August 7, 2020)

# Future drivers of seismic SALT changes

## Look beyond tax

- Data, data, data
- Energy
- Natural disasters and smaller environmental shifts that matter
- AI and automation
- Mortality

## But don't forget tax

- Federal change is coming
- Wherefore goeth the US Supreme Court?

