§5200-B. Corporate income tax nexus

1. Nexus established. A corporation has nexus with this State, for the purposes of the tax imposed under section 5200, if that corporation:

A. Is organized or commercially domiciled in this State; or [PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

B. Is organized or commercially domiciled outside this State, if the corporation's property, payroll or sales, as calculated pursuant to subsection 2, in this State exceed any of the following thresholds for the taxable year:

(1) For property, $250,000;

(2) For payroll, $250,000;

(3) For sales, $500,000; or

(4) Twenty-five percent of the corporation's property, payroll or sales. [PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

[PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

2. Property, payroll and sales defined; calculation. For purposes of this section, property, payroll and sales are calculated as provided under chapter 821 and associated rules adopted by the assessor, except that the sales calculation does not exclude sales of tangible personal property under section 5211, subsection 14, paragraph B. For a taxpayer permitted or required to use a special apportionment method under section 5211, subsection 17, the property, payroll and sales used to determine nexus under this section must be consistent with the property, payroll and sales used for the special apportionment method.

[PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

3. Corporate partners. A corporation that holds an interest directly or indirectly in a partnership has nexus with this State if the partnership is organized or commercially domiciled in this State or if the partnership's property, payroll or sales, as calculated pursuant to subsection 2, in this State exceed any of the thresholds in subsection 1, paragraph B.

[PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

4. Federal protection. A state that is without jurisdiction to impose a tax on the net income of a taxpayer because that taxpayer comes under the protection of 15 United States Code, Sections 381 to 384, does not gain jurisdiction to impose such a tax because the taxpayer's property, payroll or sales in the State exceed a threshold established in subsection 1.

[PL 2021, c. 181, Pt. E, §2 (NEW); PL 2021, c. 181, Pt. E, §4 (AFF).]

SECTION HISTORY

PL 2021, c. 181, Pt. E, §2 (NEW). PL 2021, c. 181, Pt. E, §4 (AFF).

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