ITEP INSTITUTE ON TAXATION AND ECONOMIC POLICY
Institute on Taxation and Economic Policy
1616 P Street NW • Washington, DC 20036 • (202) 299-1066 • www.itepnet.org

Combined Reporting: How Does Your State Stack Up?

Over the past few years, a number of states, seeking to address longstanding flaws in their corporate income taxes and significant declines in the revenue they yield, have instituted a major reform: combined reporting. Combined reporting requires multi-state corporations to report the income earned by both the parent corporation and all of its subsidiaries and to determine their income tax liabilities on that basis. As a result, combined reporting is the single most effective means of preventing corporations from avoiding taxation through accounting techniques designed to shift income from one state to another.

Below is a table that lists the states that have made combined reporting part of their tax structure; the states that, as of September 2009, were considering its use; the states in which combined reporting is neither in force nor being debated; and the states for which combined reporting is not relevant (because such states either do not have a corporate income tax or use a different form of business taxation).

COMBINED REPORTING IN THE FIFTY STATES - 2009

States With Combined Reporting	States Considering Combined Reporting	States Without Combined Reporting	States For Which Combined Reporting is Not Relevant
Alaska	Connecticut	Alabama	Nevada
Arizona	Iowa	Arkansas	South Dakota
California	Maryland	Delaware	Washington
Colorado	Michigan	Florida	Wyoming
Hawaii	New Jersey	Georgia	
Idaho	New Mexico	Indiana	
Illinois	North Carolina	Kentucky	
Kansas	Pennsylvania	Louisiana	
Maine	Rhode Island	Mississippi	
Massachusetts		Missouri	
Minnesota		Ohio	
Montana		Oklahoma	
Nebraska		South Carolina	
New Hampshire		Tennessee	
New York		Virginia	
North Dakota			
Oregon			
Texas			
Utah			
Vermont			
West Virginia			
Wisconsin			

September 2009