

**Rules 300 to 699 (& 003) version 2 notes. All version 2 edits are highlighted in yellow (except for Rule 571, which is all new, but not highlighted).**

Rule 003. Edited to update the adoption of the newer version of the MTC financial institution rules.

Rule 310.01. ATI suggested possibly removing subsection .01 altogether “due to removal of the Compact election.” I.C. 63-3027(3) essentially nullifies the Article III, Section 1 election found in 63-3701. But it seems that the Article III, Section 2 election is still available; therefore, should keep sub (c) here in the rule. Added a sentence in this version to .01.b and retained .01.c unchanged.

Rule 310.02. Added “to rule 580” and “annually” as suggested by ATI.

Rule 310.03. Added the suggestions from ATI. Also added language about checking box if provided, but otherwise attaching a written statement. This was based on the assumption that there will not be a box for the 310.01.c election.

Rule 310.04. Added language addressing the effect of the election in a combined group.

Rule 450. Added minor wording changes suggested by ATI.

Rule 525.01. Added wording suggested by ATI to mirror 63-3027(1)(i).

Rule 525.03. ATI recommended removing the reference to Rule 570 if we ended up removing all of Rule 570. See below, some of Rule 570 is removed in this draft, but part of it remains. So, the reference here to Rule 570 was not removed.

Rule 530. Added wording suggested by ATI to mirror 63-3027(1)(i).

Rule 535. Added wording suggested by ATI to mirror 63-3027(1)(i).

Rule 546.01.d. As suggested by ATI, deleted sentence referencing another rule section of the MTC reg that we didn't include in our draft.

Rule 546.02.a. Minor wording change suggested by ATI.

Rule 546.03.c. Added wording suggested by ATI.

Rule 548.03.b.iii.D example (i). Fixed typo noted by ATI.

Rule 548.04.c.i.C. Added clarifying wording suggested by ATI.

Rule 548.04.c.iv. No changes made in version 2. ATI continuing to develop an alternative proposal to using payroll here.

Rule 551. Added language suggested by ATI. There wasn't any language for this rule included in version 1, just a note indicating we needed to add language here for the costs of performance election.

Rule 559. Added statutory reference for “communications companies” definition as suggested by ATI.

Rule 560.03. Struck unnecessary language as recommended by ATI.

Rule 570. Removed subsections .01 and .03. The new market sourcing rules seem to cover these issues.

Rule 571. Included MTC reg 18(c). A special rule for sourcing sales when state of assignment (under subsections (12) and (13) of 63-2027) couldn't be determined for more than 96.77 percent of a taxpayer's apportionable gross receipts.

Rule 581.01 & .02. Update references.

Rule 581.05. Didn't make any changes since version 1. ATI recommended adding language about special industries electing to use standard apportionment rather than the applicable special industry rule. Tax Commission doesn't believe the statute provides special industries the ability to elect out of using special industry regs/rules imposed by 63-3027(18).