

In The News

David Blum Quoted in *Law 360* on Challenges to New York's Expansive Taxation of Internet Activities

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Akerman Tax Practice Co-Chair David Blum told *Law360* that the American Catalog Mailers Association's lawsuit challenging how the State of New York taxes the online activities of out-of-state businesses will likely influence New York City's corporate tax update. The nation's catalog marketers are suing New York over its application of P.L. 86-272 (also known as the Interstate Income Act of 1959), which restricts states from taxing an out-of-state business' net income when the only income the company derives there is through solicitations of orders for sales of tangible person property.

New York is one of only a handful of states that allow local government to levy corporate income taxes, and New York City's corporate tax receipts are the largest of any city in the nation by a wide margin. The city is expected to propose changes to its corporate tax laws in the coming months, and Blum expects P.L. 86-272 will come into play.

"It's only a matter of time," Blum told *Law360*. "This is a very important lead case."

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