

Larry Brant Comments on Oregon Tax Court Decision Involving Public Law 86-272 Protections in *Tax Notes State*

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Larry Brant discusses in *Tax Notes State* the recent [Oregon Tax Court ruling](#) in *Santa Fe Natural Tobacco Co. v. Department of Revenue*, which found that the out-of-state tobacco manufacturer is subject to Oregon's corporation excise tax. The court determined that Santa Fe Natural Tobacco lost its immunity to the net income tax because its policy requiring wholesale customers to accept all returned goods and the pre-book orders made by its representatives exceed P.L. 86-272 protection.

Larry notes that *Santa Fe* "exemplifies a possible erosion to the protections afforded by P.L. 86-272" and "reflects the close scrutiny states are taking with respect to P.L. 86-272 and out-of-state taxpayer activity." He also states that the case is an extension of the Oregon Tax Court decision in *Ann Sacks Tile & Stone v. Department of Revenue*, which held that plumbers with whom Kohler Inc. had contracted to meet its warranty obligations were performing the work on behalf of the company and that the activity was beyond the protection of P.L. 86-272.

Read the full [Tax Notes State article](#).

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