

# Significant SALT Developments for 2024 and Predictions for 2025

## Teaser Video Transcript

### Legislative Perspective on State Tax

From a legislative perspective, the state legislatures may be more specific about the authority granted to state agencies and how detailed the regulatory guidance must be. You might see the legislators be more careful in the authority that they delegate to the taxing authorities and their rulemaking authority. Of course, legislators could sidestep the issue, or it could be addressed. I think a much more straightforward way if the legislature drafted more detailed statutes.

But this also is largely dependent on the time and effort legislators are willing to dedicated to tax legislation. And given the fact that in many cases their time is spent, you know, addressing many other areas of the law. And they often defer to lobbyists and other stakeholders that largely influence the direction that the tax legislation is going to take. So I think also from a legislative perspective, this is going to accelerate the trend of states moving away from Chevron deference, most likely through legislation, but also through judicial rulings.

It'll be interesting to see whether the states act through legislative action or wait for the courts to consider a legal challenge to an agency interpretation of a tax or even or a non-tax statute. From a controversy perspective, taxpayers are likely to use lower Bright as a tool and challenging existing state tax regulations and administrative guidance that contradict their tax positions. Given that many state courts may be adjusting their different standards post Chevron, like we've been talking about, and the taxpayers that may that have been hesitant to challenge conflicting administrative decisions may feel more empowered to do so now that agency rulemaking is likely to undergo a more rigorous judicial review.

And from a litigation perspective, we're likely to see increased scrutiny to agency interpretations of state tax laws. And at the most basic level, Loper Bright is likely to encourage the courts to reject an agency's existing interpretation and apply their own. So I think there's a lot going on here. Ideally, it would be nice if Loper Bright, the legislatures, the taxing authorities and the taxpayers to work together, to draft effective tax legislation and interpretive guidance that provides more certainty for everyone.

But I think we're likely to see a lot more controversy before we get to that point. So lots of come on that front, it'll be it'll be exciting to watch.