

MEMO# 21271

June 18, 2007

U.S. Supreme Court Denies Certiorari to Lanco and MBNA "Economic Nexus" Cases

[21271]

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TO: ADVISER DISTRIBUTOR TAX ISSUES TASK FORCE No. 9-07
TAX MEMBERS No. 26-07 RE: U.S. SUPREME COURT DENIES CERTIORARI TO LANCO AND MBNA "ECONOMIC NEXUS" CASES

The United States Supreme Court has denied certiorari (docket attached) to Lanco, Inc. v. Director, Division of Taxation [\[1\]](#) and Commissioner v. MBNA America Bank, N.A. [\[2\]](#). The MBNA case was docketed as FIA Card Services, N.A. v. WV Tax Comm'r. Both Lanco and MBNA held that a state may constitutionally impose an income tax on a corporation that lacks physical presence in the state. These cases concluded that the physical presence standard announced by the U.S. Supreme Court in Quill Corp. v. North Dakota [\[3\]](#) is limited to sales and use taxes.

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Associate Counsel

[Attachment](#)

endnotes

[\[1\]](#) See Institute [Memorandum](#) (20482) to Adviser Distributor Tax Issues Task Force No.

10-06 and Tax Members No. 37-06, dated October 12, 2006.

[2] See Institute [Memorandum](#) (20605) to Adviser Distributor Tax Issues Task Force No. 12-06 and Tax Members No. 41-06, dated November 22, 2006.

[3] 504 U.S. 298 (1992).

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