

Disclaimer ([00:01](#)):

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Nikki Dobay ([00:29](#)):

Hello, and welcome to the 2025 GeTtin' SALTy Year in Review. GeTtin' SALTy is, of course, a state and local tax policy podcast hosted by Greenberg Traurig, and I'm your host, Nikki Dobay, shareholder in the Portland, Oregon and Sacramento, California offices.

([00:45](#)):

2025 was another busy year on the SALT Tax front, and the podcast was there to cover it all. And with the new year just around the corner, we thought it'd be a good time to look back over the last year and highlight some of our most listened to, and some of my most favorite podcast moments. So with that, let's get into the fun.

([01:07](#)):

The first episode we'll be revisiting is episode 56, which was a discussion with Jared Walczak on the One Big Beautiful Bill, or as the cool kids are calling it these days, OB3. In this episode, Jared does a great job breaking down the provisions of the bill that the states will need to deal with on the conformity front. Let's take a listen to what Jared had to say about the domestic provisions.

Jared Walczak ([01:33](#)):

Yeah, so let me put this into a few buckets. There are some of the new provisions. Some of them are temporary, that I think of as economically not terribly significant. They're not pro-growth. They're somewhat arbitrary, maybe even a little capricious, and they're cost drivers for states. They'll reduce revenue. This is things like the deduction for auto loan interest, or the deduction for qualified tips, or for overtime premium pay.

([02:04](#)):

They're poorly targeted. Take tips, for instance. Even if you're trying to help low-income taxpayers, it's true that most taxpayers who earn tips are lower income, but the vast majority of low income taxpayers are not tipped workers. It's not well-targeted. These things are costs. They can flow through to some states, mostly just those that begin with federal taxable income, so it's not the majority of states.

([02:27](#)):

But if it's hitting your budget, you might ask, "Why are we doing this? Is it really worth this cost?" And you could easily see states say, "Hey, we know there's a benefit to conforming." I'm going to make the case, there's a strong benefit to being up to date on your conformity, matching the federal government generally. But you can make modifications. And you might say, "We're adding this one back. We don't really think these provisions are that valuable."

([02:49](#)):

Then there are, on the business side, the expensing provisions. This is the restoration of 100%, full expensing for certain capital expenditures under 168K, that 100% bonus depreciation. It's the new expensing for certain structures. Basically, you can think of that as manufacturing. This is factories. That's brand new, and this would be offered.

([03:11](#)):

And then there's a restoration. It always used to be that research and development, or technically research and experimentation, expenses were immediately deductible, and as a pay for in the back half of TCJA's 10-year window, that changed. It became this five-year amortization. I don't think members of Congress ever really wanted that to happen, but a bit of a budget gimmick. They hoped it would be fixed and it wasn't fixed on time.

[\(03:37\)](#):

It is permanently fixed here. That flows through to states as well. The full expensing, the bonus depreciation flows through to about 15 states, because those are the ones that follow the federal government on this. There's some states that just automatically are at 100%. There's some states that decouple. Things like R&E, things like the new structures, pretty much every state would bring those in, unless they make a change.

[\(04:02\)](#):

I think of these as good policy. This is what tax code is supposed to do, so I would hope states conform to this, and that they remember that, say for R&D, this is what they always did. Yes, they've had a few years of not doing it, but this is what they always did previously, so it's not some radical new thing that they haven't accounted for.

[\(04:19\)](#):

And then there's the shift from GILTI to NCTI that affects certain states, and I'm sure we'll get into that, but that is a bit of a mess for states.

Nikki Dobay [\(04:26\)](#):

Yeah. Let's put a pin in that. I mean, I think what's going to be the challenge for policymakers on kind of the two buckets you talked about, and I'll just say the word out loud. I think that on the individual side, we have some gimmicky, short-term deductions that the states probably should stay away from, but I worry that there's going to be some states that just can't resist the gimmick. And then there's going to be the, well, it's better to conform, so we should just pick these up.

[\(04:55\)](#):

I completely agree with your policy reasons. I think the state should probably try to hold their arm out, but we know how it goes with residents vote and businesses don't. So I hope that the policymakers at the state level stay strong to kind of some good policy measures and do follow the recommendations you've made.

[\(05:17\)](#):

But the OB3 didn't just deal with domestic provisions. There was also a significant shift on the international tax front, moving away from global intangible low-tax income, GILTI, to net CFC-tested income. While I never thought we'd find ourselves moving away from an incredible acronym like GILTI, we did, and we got another cool one, NCTI.

[\(05:43\)](#):

All right, so let's just spend a few minutes, and I know I'm opening up Pandora's box with this, and probably a topic we should come back to in a couple months when we've had some more time to digest it. But the international stuff. I mean, GILTI was brilliant at some level, and now we have a new acronym. So what's going on there?

Jared Walczak [\(06:07\)](#):

Well, I think when you open Pandora's box, hope remains, and I'm not sure if hope remains for the states on this one. This is too confusing. So yes, we went from GILTI, the tax on global intangible low-taxed income, which was not in fact a tax on intangible income, and not always with low-taxed income, but it kind of did that, to NCTI, some are calling it "Nicti," some are calling it "Necktie." I don't know what's going to stick.

Nikki Dobay ([06:34](#)):

Okay.

Jared Walczak ([06:35](#)):

This is the net CFC-tested income. So there's a recursive acronym in there. We have an acronym embedded in an acronym.

Nikki Dobay ([06:39](#)):

Awesome. Perfect.

Jared Walczak ([06:40](#)):

It's great. But essentially, there are a number of changes to how US-based parent companies, controlled foreign corporations, are now taxed and they make a certain amount of sense at the federal level. I'm not saying all of it's great, and there are winners and losers in it, but they do have some intuitive basis at the federal level, and it's also a net tax cut at the federal level. And none of it quite works for states. So let me try at a high level to walk through on this. It's not easy.

Nikki Dobay ([07:11](#)):

All right.

Jared Walczak ([07:12](#)):

So a bunch of things are happening, but essentially, in the past, because the idea was that we wanted to discourage companies from doing profit shifting. As we shifted from a worldwide tax system to a territorial or mostly territorial tax system, we didn't want companies to put all their intellectual property abroad, shift all their royalty income, all of the income that accrues to intellectual property, and just park it abroad, where it's being taxed at very low levels in some jurisdictions, and not have it taxed unless and until it's brought back as dividends to the US. That was the concern.

([07:47](#)):

So GILTI was a way to find those sort of supernormal returns, as they're called. It was a sort of rough and ready way to determine whether something was coming from actual activity abroad or IP abroad, by saying, if the returns are more than 10% of your tangible assets, that feels like it's IP. So bring that in, tax it at a reduced rate, but still tax it here. And there's some acknowledgement of foreign taxes paid through tax credits, but bring that in and tax it.

([08:19](#)):

The new system doesn't bother trying to figure out what the source of the revenue is. So what used to be, it was the QBI deduction, that 10% threshold, is gone. All of the activity, all of the income of these controlled foreign corporations is now taxable in the United States under NCTI. But of course, it's still supposed to be about income that was not substantially taxed abroad, about potential profit shifting. So

it leans more heavily into the foreign tax credits. It allows you to take more of them than you previously did to try to account for this. States don't offer foreign tax credits, or at least generally they don't.

Nikki Dobay ([08:59](#)):

Right, right.

Jared Walczak ([09:01](#)):

So basically, you have this situation where, instead of just the supernormal return income, basically all of the income of these CFCs is now potentially taxable in states. And the big offset, the foreign tax credits, don't apply, so it's just all of it. And then it gets a little worse, because we have also to decide how you allocate expenses when the US parent has an expense that's really about supporting, or at least partially supporting a foreign company. Under GILTI, those expenses had to be allocated by formula to the foreign entity, which reduced the taxable income under GILTI, but of course, increased your taxable income for the US parent.

([09:40](#)):

Those rules change a little here. Actually, they change pretty substantially here. So now, there's less of a deduction for GILTI, because a lot of that is not being allocated over there. Also, the deduction that reduced the amount of taxability, it's called the Section 250 deduction, it happened at 50%, which basically gave you half the ordinary rate. Now it's at 40%, so you get 60% of the ordinary rate.

([10:03](#)):

All of those things mean that there is a much larger share of international income subject to tax at the state level, because you're not getting that foreign credit that federal government's offering, and it's being taxed at a somewhat higher rate, and then one more quirk to make the states even more bizarre. Just as a sort of mechanical aspect of how this works, if you are taking foreign taxes paid by a foreign company and you're imputing it back to the US parent, so you're putting that tax payment into their activity. Well, the income that that tax was paid on isn't there. You need to actually bring that tax payment into both the company's income and its costs.

([10:49](#)):

And that's just an accounting thing. So they do the Section 78 gross up, and that puts it in income, and they do the foreign tax credits and that provides the deduction and the credit, and it reduces liability. States don't do that part. They do bring in the gross up. So you're actually being taxed not only on pretty much all of the income of these controlled foreign corporations, with really no offset. You're also being taxed on the amount they paid in tax abroad. It's literally a tax on a tax that was paid out of income, but that's not part of their income. It's just like a double tax on the payment of taxes.

([11:25](#)):

None of this makes sense. None of this meets the purposes of GILTI or NCTI. It doesn't look like the base at the federal level for NCTI. It's just this really weird, distorted tax on international income that states would be imposing. My takeaway is, it was bad enough when states tried to tax GILTI. They were taxing the wrong things. There's no good way to apportion it. It's really a mess and really nonsensical to tax NCTI. Just stop doing it.

Nikki Dobay ([11:53](#)):

Be sure to re-listen to the rest of the episode where Jared breaks down a whole lot of other issues related to the passage of the OB3, including the impact of SNAP decreases, Medicare provider taxes, as

well as state tax revenues overall in light of the changes at the federal level. As always, a fascinating discussion with Jared, who is a regular contributor to the podcast.

(12:17):

While OB3 was no doubt the biggest tax policy issue of the year, Washington waded into another huge one with the passage of a bill that would tax digital advertising. Well, there's a lot more to this story than just digital advertising, and so I was pleased to have Representative April Berg from Washington and Professor Rick Pomp on episode 61 to discuss Washington's Senate Bill 5814. Let's hear from Representative Berg as to what exactly Washington did with the passage of this bill.

April Berg (12:52):

Yeah. Well, we did get a little bit of attention this year. We had some big tax proposals, and we raised quite a bit of revenue. Putting that in a context, we did have a budget shortfall. We made about \$8 billion in cuts, and then we raised about \$8 billion through new revenue proposals.

(13:08):

So, yeah, the biggest one I think that's gotten most attentions and most of your listeners will be interested to hear about is our sales tax on services.

Nikki Dobay (13:16):

Yes.

April Berg (13:16):

And so we have quite a few new classes of services that now will have sales tax applied to them. And some of these services, they range everything from temporary staffing, to security staffing, to digital ad tax. So it's quite a new world.

(13:33):

I will put kind of the context, that folks who listen probably know that Washington is very different than other states. We don't have an income tax. We don't have all the legs of the stool of taxation. So what we're looking at is B&O tax, property tax and sales tax. And as we move to more of a service-based economy from a consumption-based economy, it kind of behooved us as policymakers to look at what new revenue opportunities there were around services.

Nikki Dobay (14:02):

Yeah. And so, you definitely got a lot of folks' attention with that bill. There was a pretty robust effort to get the governor to veto. He did not do that. And most of those new provisions on services are set to go into effect October 1st.

(14:20):

But that was only part of the story. With that overview from Representative Berg, let's hear Professor Pomp's response to Washington's action.

Richard Pomp (14:30):

Well, services right now are taxable under every state's sales tax. Look around the room. I am looking at a microphone, a laptop, table, chairs. Services are incorporated in the price of those goods, that things

embody capital and labor, and that labor element, that service element, is part of the sales price of the ultimate sale to the consumer.

(15:03):

So it's sort of a false argument. Should we tax services? We're already taxing services. We're taxing thousands of services, as long as they're embodied in tangible personal property. So the question really is, when those services are provided in isolation, should they be taxable? And the answer is, there's no reason not to tax a service that would have been taxed had it been incorporated in a good.

(15:32):

Now, the problem when it comes to services is that we tax the wrong kinds of services, because that's where the money is. A sales tax is not supposed to tax a business input. And we have exemptions like the purchase for resale exemption, which exempts inventory. We have the ingredient and component exemption, which exempts tomatoes and lettuce and whatnot that's part of a salad, and we have the manufacturer's exemption. All of this is to remove the tax on business inputs.

(16:07):

Advertising is sort of your quintessential business input. So as a matter of policy, it should not be taxed at all in a sales tax that is supposed to conform with the underlying rationale of exempting business inputs and taxing the ultimate sale to the consumer. You tax advertising, it will cascade through the production and distribution chain, and it becomes a stealth tax, because it'll be buried in the price of the good. And then when you think about it, it's anti-democratic. We should know what we are paying for government. When you have health taxes, we don't know. So that we start off, yeah, services should be taxed if they're part of personal consumption, and business input should not be taxed. So, advertising is uniquely a business input.

(17:03):

Now, here's the problem. We have a federal statute, the Internet Tax Freedom Act. It says, if you want a tax advertising state, that's fine, but you got to tax all advertising. Washington taxes digital advertising, and then it has all of these carve outs. And it is discriminating, at least in my opinion, it is discriminating against interstate commerce and electronic commerce, and that's the problem.

Nikki Dobay (17:39):

Representative Berg and Professor Pomp didn't exactly see eye to eye in this episode, making this an incredibly interesting discussion. If you haven't listened to this one, it's a must. Things get pretty interesting at the end.

(17:53):

It wouldn't be a year-end update without mentioning California, and California didn't disappoint in 2025. Over the past year, there were several California SALT policy issues that kept us busy, and as always, my colleague, shareholder Shail "Shellshock" Shah was at the ready to provide updates. Let's next take a listen to episode 63, where Shail and I were joined by Joe Bishop Henchman of National Taxpayers Union to discuss NTU's challenge to the 2024 budget legislation, which imposed a significant legal change retroactively.

Shail Shah (18:32):

Yeah, this is the most troublesome part of the statute, right? I think we all know that the legislature has the ability to change the law on a prospective basis, and so that complies with the due process clause. But with this particular statute, there is an unlimited retroactivity period. So as I just mentioned, cases

have consistently interpreted the statute in California, I mean, gross means gross. And this particular statute, and as you just mentioned, Nikki, 251-28.9, is a change in law, because it's inconsistent with prior interpretations. But the legislature stated that it is just a mere clarification, and because it's a mere clarification, that it has an unlimited retroactivity period, which is, like I said, a lot different than the way most taxpayers have interpreted existing law.

Nikki Dobay ([19:23](#)):

So Joe, now let's shift over to NTU, because this is a question that has come up a few times from the other side, after a suit was filed. Why does NTU care about this retroactive law change?

Joe Bishop-Henchman ([19:40](#)):

Yeah. And we obviously do care. The case is National Taxpayers Union versus franchise tax board. So you see right there in the caption, how much we care about it. I think this enactment by California violates the rule of, if you're going to do this dumb, stupid thing, don't do it in this dumb, stupid way.

Nikki Dobay ([20:02](#)):

It's a very technical rule that you've just cited.

Joe Bishop-Henchman ([20:06](#)):

The underlying policy is a pretty bad policy, for reasons Shail just went into, and then they went and enacted it in this... I mean, it is a statute. It's not one that I've ever seen before in decades of working with statutes and enactments at the state level, where it's essentially directing an agency to adopt a particular interpretation of a statute. So it's not amending a statute, which is normally how you would accomplish that. It's doing that. And then it is applying it retroactively, with really no end date, so conceivably back 50 years or more.

([20:46](#)):

And I personally have a big problem with retroactive tax increases. I think they're absolutely unfair to unsettle expectations and change the rules of the game in that way. And I happen to think that the Constitution's due process clause has a problem with retroactive tax increases, certainly ones that reach back this far.

([21:10](#)):

And even in the argument yesterday, the other side, not... I mean, forget our lawyers. The other side, the government's lawyers, the franchise tax board, they were saying, "Oh, yeah, this is a broad statute." And the judge was saying, it's like, "Who knows what the agency's going to do with it?" I mean, this is laws they're talking about. They're supposed to be providing certainty to the taxpayer, not these giant question marks that will take a decade of administrative process to sort out. So that's why this isn't right. This isn't how it should be done. So we were enthusiastic to challenge this.

Nikki Dobay ([21:43](#)):

Be sure to listen to the rest of this episode to get the full story on that case. Unfortunately, the trial court ruled against NTU on a standing issue, which will be appealed, and didn't reach the merits of the retroactivity issue. We'll continue to provide updates on this case throughout 2026. Associational standing is a key issue for NTU, and we expect to be back in front of a trial court very soon on the substantive issue.

(22:10):

Another issue of note this past year in California was the issuance of Attorney General opinion number 23-701, in which the California AG opined that the California Office of Tax Appeals, the OTA, does have jurisdiction to rule that an agency runs afoul of the statute. California never ceases to amaze me, as I would have thought this was a no-brainer, but let's listen to Shail break this down.

Shail Shah (22:38):

Yeah, so this was AG opinion 23-701. And to your point, Nikki, there are not a lot of AG opinions that weigh in on sort of tax jurisdictional issues, but this was one of them. And it dealt with a fairly narrow question. It was whether the OTA has the ability to effectively say that a regulation trumps a statute.

(23:06):

And I'll sort of go into the background, how we sort of got here, but the punchline, and the short answer is, the AG said, yes, you can, and it is within the jurisdiction of the OTA. If there's a conflicting regulation in a statute, they can decline to apply the regulation.

(23:24):

So this was a big deal, because as I think a lot of our listeners probably know, a lot of tax cases don't go to litigation in California. A vast majority of them are resolved, especially the more contentious ones, are resolved at the Office of Tax Appeal. And so, the ability for taxpayers to now argue that there's a regulation and there's a statute, and they both conflict, and to have the OTA weigh in on whether the statute or the regulation should apply, is big, because there's obviously, as California's a big state, a lot of regulations and a lot of statutes.

Nikki Dobay (24:03):

So now, the Office of Tax Appeals is still fairly new. What was it, it came in about 2017, 2018. So prior to this, it was the Board of Equalization that would review these cases. So kind of, their powers got transferred to the OTA. So, could they say that the regulation was inconsistent, and therefore rule in favor of a taxpayer? Or was this a question that lingered before the BOE, prior to the OTA being put in place?

Shail Shah (24:35):

Well, it's unfortunately not a straightforward answer.

Nikki Dobay (24:38):

All right. That's why we're here, to give the not straightforward answers.

Shail Shah (24:42):

So I'll give you the path there.

Nikki Dobay (24:44):

Sure.

Shail Shah (24:44):

The BOE historically did opine on whether a statute would trump a regulation. What was interesting, though, was while there's a few cases in California under the old Board of Equalization, where the BOE did exactly that. The Board of Equalization, similar to what the OTA did here, actually back in the early 2000s, requested an Attorney General opinion on whether they had the authority.

Nikki Dobay ([25:13](#)):

This sounds familiar.

Shail Shah ([25:15](#)):

It is. Interesting enough, the Attorney General said no, that the Board of Equalization did not have the authority, but it was a non-binding opinion by the Attorney General's office. So historically, there's about three or four cases where the BOE agreed with the taxpayer that a regulation applied, or, sorry, a statute applied over a regulation. But the AG's office, at least at that time, didn't think that the board equalization had that authority.

Nikki Dobay ([25:46](#)):

Oh, California, you definitely keep us on our toes. I'm sure 2026 won't be any different, as we are seeing even more crazy things coming out already. We've got a billionaire's tax initiative and a renewed effort to tax digital advertising on social media platforms, so California will keep on trucking.

([26:06](#)):

The next thing we're going to take a listen to is not just a California thing. This is a SALT-adjacent issue, known as extended producer responsibility laws, EPRs. If you hadn't heard about these, let me tell you, it's a real doozy. Here's Madeline Orlando, one of my GT Sacramento colleagues, who joined me for a few discussions on EPR laws, and she's going to catch us up on what's happening on several states on this EPR front.

Madeline Orlando ([26:36](#)):

Yeah, and I think as we see some of these states come online with their real compliance obligations, when you start having the reporting and the fee obligations come up, that's when a lot of this becomes tangible for businesses, where you are starting to have to make those changes that we've kind of talked about in the abstract for a while. And we're at the forefront of that, and thinking about long-term indefinitely as of right now, all of these states having these laws, it's interesting to think five, 10 years from now, where will we be in this space?

([27:15](#)):

But since we last spoke, there have been a few developments. I'll start off with the less pesky ones.

Nikki Dobay ([27:21](#)):

Yes, controversial.

Madeline Orlando ([27:27](#)):

First is that we have two more states that passed their EPR packaging program. So, Maryland and Washington in this legislative session passed their own EPR packaging laws, so now we have seven states that have these laws. As well, we had Colorado had their initial reporting deadline just last week, July 31st. That reporting went a little bit smoother than I would say the Oregon reporting was. It

followed a similar framework from what Oregon had, but now, second time around, people were a little bit more familiar with what they had to do, what the compliance obligations looked like there.

[\(28:06\)](#):

And then just pop over to California real quick, everyone's favorite favorite state to talk about. I think we discussed last time that California is in a little bit of a state of limbo with their regulations, and since we last spoke, we've seen some more activity from Cal Recycle, the state agency on that front. So they have draft regulations that they're working with. These are their second round of draft regulations. So they worked on it last year. They got to a place where they were going to finalize them, and then Governor Newsom came out and said, "You can't do this."

[\(28:39\)](#):

So they started over, and we're in that process right now, and California has a reporting deadline of November 15th. So I think everyone's kind of looking at the clock, looking at calendar, waiting to see what will be done before then. So those are our non-Oregon updates, and kind of some more administrative things.

Nikki Dobay [\(29:04\)](#):

And a couple thoughts there. It's interesting. So just kind of going back to our regular SALT world, Maryland and Washington have been very active on some very interesting new types of taxes. So it's kind of interesting, they're also coming into this EPR law world as well. So obviously, very tax-friendly. I will say I'm using that not probably in the way that taxpayers think of as friendly. They're friendly to any type of tax. So, two states stepping into this.

[\(29:37\)](#):

And then, curious on Colorado. They're also using the Circular Action Alliance, so CAA. So is there a standardized reporting that's going to happen for all these states as they come online, or is it truly like other state and local taxes that we see, where the states all have their own individual forms?

Madeline Orlando [\(30:01\)](#):

So, for right now, all of the reports are submitted on an individual state level. We're doing it through the same online portal, but you're submitting individual reports. And part of that is because the states cover different types of materials. So what's covered in California is a little bit different than Oregon, is a little bit different than Colorado. So it's hard to do one standardized report when all of the laws are materially different. And as of right now, because they're all coming online at different times, all the reporting dates are different. Hopefully in the future, we will have one annual, harmonized reporting date, but as of right now, that's not the case.

Nikki Dobay [\(30:44\)](#):

Yeah. And if I'm crystal balling it based on how the states operate in the tax world, that will never come to fruition. But I don't want to be the bearer of bad news, so I'll be hopeful with you.

[\(30:55\)](#):

These laws are crazy, and there's already been a lawsuit filed in Oregon challenging Oregon's EPRs laws, with another likely to be filed in Colorado soon. Be sure to check out both podcasts that Maddie joined me for, that's episodes 58 and 53, where Maddie provides a history and background of the EPR laws. My sense is this is going to become a bigger part of the SALT-adjacent world, and we are just at the beginning of the story.

[\(31:23\)](#):

As you can see, it's been a year on the policy front, but before I sign off for 2025, I wanted to highlight the growth of the GT SALT Group. We brought two new shareholders on, Breen Schiller in our Chicago office, and Nicki Howard in our Atlanta office. Both were featured on the podcast, so let's take a quick listen to why these two incredible SALT practitioners are excited to be back in private practice and at GT.

[\(31:50\)](#):

So, what made you want to come back? Because I know it was a very exciting role, and being in the national groups, at any big four, is very prestigious, and you get a lot of exposure both internally and externally. So, why back to private practice? Why now?

Breen Schiller [\(32:07\)](#):

Sure. So, I left. I got questioned a lot about why I love private practice and how it seemed like I was doing things backwards. A lot of people spend the majority of their career in public accounting and then go to private practice, and I was kind of doing the opposite.

[\(32:24\)](#):

And I think to your point, Nikki, is that throughout my career, these national roles always were very intriguing to me. They were in this prestigious position. Never really fully understood what they did, but it was always these people I greatly respected that held these roles. And so, when I was approached to join the group, it was a decision that it took a lot of time to make, because I was walking away from a practice that I had spent my entire career building, but I also felt like if I was going to do it at any point in my career, then was the time.

[\(33:02\)](#):

So when I got there, again, it has helped me broaden my view of the practice and been able to do things that I had never previously done with clients before, but I really missed being in the trenches with my clients and having a partnership with them. Being in national, I always felt, and this is my personal opinion, and not necessarily applicable to everybody who holds those roles. Okay, everything I say is only applicable to Breen Schiller.

[\(33:31\)](#):

I always felt that I was one layer removed from the action, so to speak. And I missed being more than just a subject matter expert, and I was just very anxious to be fully engaged in the practice again, and in the practice of law, again, quite frankly, because when you are a lawyer at Big Four, you are not permitted to engage in the practice of law. So there's only so far you can take a case, and then you have to hand it over.

[\(34:00\)](#):

And there are a lot of talented people that do what we do, and so I was always trying to help clients pick the outside counsel that was best suited to their matter, and so on and so forth. But at the same time, in my heart, I was like, oh, it pained me a little to have to do that each time, because I love what we do so much. And so, it's kind of like when you're with a matter from the beginning, it becomes part of you. You become invested in it, and you want to see it through to the end.

Nicki Howard [\(34:31\)](#):

But guess what?

Nikki Dobay ([34:32](#)):

Guess what?

Nicki Howard ([34:32](#)):

There's now GT.

Nikki Dobay ([34:32](#)):

There is.

Nicki Howard ([34:36](#)):

And we have a worldview. We're not having to go outside and borrow knowledge from different firms and different people. We have a worldview because of the team that you have built, Dobay.

Nikki Dobay ([34:46](#)):

So, you were at CSX for many, many years, and then you've been kind of in a transition mode the last several months. And I also, when I left PWC in 2015, I was like, "I will never be a partner or shareholder anywhere." And that's when I went to cost, and yes, look at me now, too. So, everything comes full circle. But considering a transition, what made you look at GT and think that this would be a good landing spot for you and your skillset?

Nicki Howard ([35:18](#)):

It really was you. If you hadn't been here, and I mean, I can make it broader, but when I first decided that I was leaving CSX, which as you know, was a very difficult decision... I love CSX, and I love the railroad. I love the people that I work with. I like what we built there. It's an amazing company, and I hope that it goes on to be amazing and stay amazing forever.

([35:38](#)):

But then, it was a relocation issue. I didn't want to move back to Florida, which was required for CSX in a very understandable way. And I started doing transition meetings with all the people that I work with outside to get them ready for the fact that I was leaving, and in those transition meetings, I did receive a lot of offers and a lot of interest. And because, as you mentioned earlier, I speak at a lot of conferences, I'm pretty well known in the industry. And so, there was a lot of interest and a lot of people talking to me, and you were one of them. And because we are friends and because we've known each other for so long, I was pretty candid with you about my desires. And I'm a parent-

Nikki Dobay ([36:18](#)):

Yeah, and you said, "I'm never going to a law firm."

Nicki Howard ([36:25](#)):

I did say that. I did say that. You did a good job.

Nikki Dobay ([36:26](#)):

I know. I'm very persuasive.

Nicki Howard ([36:29](#)):

And GT has a culture that I like. I'm a late in life mother. I have a gaggle of children. It's very important to me to be a mother to them, but it's also important to me to nurture my first baby, which was my career, and you all have given me a space to do that. And we have built a team. You, Dobay, when you brought me in, you also recently brought in another new shareholder, Breen Schiller, and the three of us represent something very special. And there were other firms that I was talking to pretty heavily, and they were doing a great job of selling themselves to me. But what GT had that none of those other firms had was Breen and Nikki Dobay.

[\(37:09\)](#):

And the three of us together, we covered the country. I covered the East, not just the Southeast, also the Northeast. You cover the West and then Breen comes in and she's central. We all know how to litigate. You are a legislative powerhouse. We do a lot of speaking, we do a lot of educating. We come from a lot of different areas, because I have the logistics chain, I have trucking, I have rail, and then I'm also very heavily involved with all things electric and the PUC world and all of that. And we all know our DORs, and we know everything that we're doing, and I believe that we could create something special.

Nikki Dobay [\(37:51\)](#):

These clips were just a teaser. We recorded 23 episodes, covering so many interesting SALT policy topics this past year. I've had so much fun along the way, not only discussing state and local tax issues with my friends and colleagues, but also hearing from each of my guests on the surprise non-tax question. I can't thank my guests enough for making the podcast the success that it is, and I can't wait to be back next year to discuss the biggest issues, trends facing multi-state taxpayers. We're going to take the rest of the year off, but looking forward to being back with you all again in 2026, where we will keep GeTtin' SALTy.