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## Pa. Violates Uniformity Clause In Sourcing Dispute, Court Told

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### Pa. Violates Uniformity Clause In Sourcing Dispute, Court Told

Jennifer Karpchuk is quoted in a *Law360* article commenting on a dispute between Synthes USA HQ and the Commonwealth of Pennsylvania in which the taxpayer alleges a uniformity violation related to the Department of Revenue's interpretation and application of the cost-of-performance sourcing method. The article explains that Synthes USA HQ is claiming that it deserves a refund of more than \$2 million for taxes paid in 2011 using the Department of Revenue's interpretation of the cost-of-performance method, which more closely resembles the market-based method, and which the commonwealth opposes as contrary to the statute.

According to Jennifer, "Cost-of-performance complaints are not uncommon in Pennsylvania but are typically settled. That this one is going to trial is unusual and may be a first."

"The department would tell you they are using cost of performance but interpreting income-based activities to occur where the customer is, which is essentially market-based sourcing," Jennifer said. "The taxpayer is arguing that they want to follow the department's interpretation of cost of performance."

To read the full article, [click here](#).