



# TaxNewsFlash

## United States

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### **KPMG reports: Colorado (local use tax); Massachusetts (drop-shipments); Minnesota (combined returns); Ohio (forward contracts)**

KPMG's This Week in State Tax—produced weekly by KPMG's State and Local Tax practice—focuses on recent state and local tax developments.

- **Colorado:** A state trial court held that a furniture retailer did not owe use tax to the City of Lakewood on furniture that was displayed before being sold to customer. Because of the length of time during which the furniture remained on display, the city argued that the taxpayer was using the furniture and that it was not purchased for resale.
- **Massachusetts:** The Supreme Judicial Court held that a drop-shipper was required to collect and remit Massachusetts sales tax. Under the “drop shipment rule,” a wholesaler engaged in business in Massachusetts is required to collect and remit sales tax due on sales shipped to Massachusetts consumers when the selling retailer is not engaged in business in the Commonwealth.
- **Minnesota:** The state's Supreme Court affirmed that the income and factors of a foreign disregarded entity were included, along with those of its domestic owner, in the Minnesota combined return for the tax years at issue.
- **Ohio:** The Board of Tax Appeals found that a taxpayer's receipts from forward contracts were subject to Ohio's commercial activity tax (CAT), by concluding the receipts were situated under provisions applicable to tangible personal property.

Read more at KPMG's [\*This Week in State Tax\*](#)

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