



# TaxNewsFlash

## United States

No. 2018-539  
December 3, 2018

### **KPMG reports: Indiana (software); Ohio (resale exemption); San Francisco (economic nexus); Utah (foreign tax credit)**

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.

- **Indiana:** The Department of Revenue issued a revenue ruling in a matter concerning whether a company had nexus if it developed a custom software application for an Indiana-based contract manufacturer. The ruling finds that the custom software that would be sold to Indiana customer would not be treated as tangible personal property for sales and use tax purposes. Also, the protections of Public Law 86-272 would apply to the company. The Department ruled that based on the facts presented, the taxpayer's activities did not appear to exceed the solicitation of sales, even with the transfer of software into Indiana.
- **Ohio:** The state's Supreme Court, overturning a Board of Tax Appeals decision, and held that promotional items purchased for distribution at specific baseball games qualified for the use tax exemption under the sales-for-resale category.
- **San Francisco:** Voters approved Proposition D that establishes a marijuana business tax on receipts from sales of cannabis products and generally adopts economic nexus provisions for purposes of several city taxes.
- **Utah:** The state's tax court, in addressing a constitutional challenge to Utah's individual income tax structure, as it applied to foreign and interstate business income of S corporation shareholders, held that the state's failure to allow taxpayers a credit for taxes paid to foreign jurisdictions discriminated against foreign commerce.

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

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