



TaxNewsFlash

United States



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KPMG reports: New Jersey (combined reporting); New York City (sale of minority interest in LLC); Utah (sales tax)

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.

- **New Jersey:** The Division of Taxation issued guidance as an initial step in implementing the state's combined reporting regime (that is effective for tax years ending on or after July 31, 2019). The guidance provides that the managerial member of each combined group must register with the New Jersey Division of Revenue and Enterprise Service using a web-based registration system that is currently being developed.
- **New York City:** A tax appeals tribunal held that the city's general corporation tax applied to capital gain realized from the sale of a minority interest in an LLC. The corporate taxpayer conducted no business activities in the city, and owned an 88.91% interest in a limited partnership, and the limited partnership also conducted no business activities in the city and in turn owned a 9.99% interest in an LLC that had business activity in the city for certain tax years.
- **Utah:** The Tax Commission determined that sales of custom storage solutions (typically for residential customers) constituted the sale of tangible personal property and were subject to the state's sales and use tax, but that separately stated installation charges relating to the storage units were not subject to sales and use tax.

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