



TaxNewsFlash

United States



No. 2019-311
June 17, 2019

KPMG reports: California (apportionment); New York (royalty payments); Vermont (sales tax sourcing)

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.

- **California:** The Franchise Tax Board issued Legal Ruling 19-01, providing guidance on what it considers to be appropriate subject matter for a request from a taxpayer to vary from the standard apportionment formula.
- **New York:** The Division of Tax Appeals concluded that for purposes of computing New York "entire net income" for the tax years at issue, the taxpayer (a diversified worldwide entertainment company) could not exclude royalty payments received from foreign affiliates.
- **Vermont:** Legislation (House Bill 514) enacted in June 2019 makes changes to Vermont sales tax law, including the adoption of market-based sourcing. The new law provides that effective for tax years beginning on or after January 1, 2020, sales (other than sales of tangible personal property) will be sourced to Vermont if the taxpayer's market for the sale is in Vermont

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