



# TaxNewsFlash

United States



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## KPMG reports: California (source of services); Illinois (tax amnesty); Indiana (financial institution tax); Tennessee (IRC section 163(j) limitation)

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 Office of Tax Appeals sustained a personal income tax assessment against a nonresident individual who performed screenplay writing services for two movie producers—both California LLCs—during the 2015 tax year. The taxpayer, an Arizona resident, was self-employed as a screenwriter and received Forms 1099-MISC from the California LLCs in 2015 but did not file a 2015 California return.
- **Illinois:** The Department of Revenue announced an upcoming tax amnesty program to allow taxpayers to resolve any franchise tax or license fee liabilities for tax periods March 15, 2008, through June 30, 2019. The tax amnesty program will begin October 1, 2019, and end November 15, 2019.
- **Indiana:** The Department of Revenue determined that a financial institution had to include lawsuit settlement proceeds in both the numerator and denominator of its sales factor for the state's financial institution tax. The taxpayer was a holding company headquartered outside Indiana, and filed financial institution tax (FIT) combined returns with its affiliates. The taxpayer amended its 2009 FIT return to include the settlement proceeds in its apportionment factor denominator, but not the numerator, which would have resulted in a refund. The Department, however, denied the refund.
- **Tennessee:** The Department of Revenue issued guidance on computing the IRC section 163(j) limitation for Tennessee corporate excise tax purposes.

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

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