



TaxNewsFlash

United States



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KPMG reports: Florida (rental real estate); Illinois (advisory services); Maryland (transfer taxes); Massachusetts (patent infringement); Wisconsin (software)

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.

- **Florida:** The Department of Revenue issued a bulletin reminding taxpayers that effective January 1, 2020, the sales tax rate imposed on renting, leasing, letting or granting a license to use real property is decreased to 5.5% (from 5.7%).
- **Illinois:** The Department of Revenue in a pair of letter rulings concluded that receipts from investment advisory services are to be sourced to the customer's billing address.
- **Maryland:** The state's tax court denied a taxpayer's claim for refund of various state and county recordation and transfer taxes that were paid with respect to the taxpayer's purchase of real estate in Maryland. Because the taxpayer (a Los Angeles County employee retirement fund) was not a political subdivision of Maryland, the court determined that the taxpayer did not qualify for any exemptions from these taxes under Maryland law.
- **Massachusetts:** An appellate tax board held that receipts derived from federal patent infringement litigation are sourced to Massachusetts under the general rule that gross receipts from the enforcement of legal rights by Massachusetts-domiciled taxpayers are presumed to be attributable to Massachusetts unless the legal dispute related directly and exclusively to real or tangible personal property located outside of Massachusetts.

- **Wisconsin:** A state appeals court affirmed a decision of a lower court that receipts from the licensing of the right to install and replicate proprietary software were not attributed to Wisconsin when the equipment manufacturers were located outside the state.

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