



TaxNewsFlash

United States



No. 2019-560
November 25, 2019

KPMG reports: California (sales factor); Illinois (sales factor); Massachusetts (tax incentives); Ohio (responsible person)

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 concluded that for the tax year at issue (2008), value added tax (VAT) and other taxes imposed on the provision of services to foreign customers were properly included in the sales factor for 2008. (Note for tax years after 2011, the sales factor statute was revised and adopted a new definition of gross receipts.)
- **Illinois:** A state tax tribunal will review two deficiency notices that the taxpayer (a global payment business) challenged because the Department of Revenue applied the “throwout” rule and excluded certain of the taxpayer’s receipts from the sales factor denominator. Under Illinois law, receipts that are attributed to a jurisdiction where the taxpayer is not subject to tax are excluded from the denominator of the sales factor, and a departmental regulation requires a taxpayer to pay tax owed in another jurisdiction for the receipts to be considered “subject to tax” in that state or foreign country.
- **Massachusetts:** Certain life sciences companies creating net new jobs in Massachusetts in 2020 may be eligible for tax incentives through a Massachusetts tax incentive program. Among the incentives are a 10% investment tax credit, a FDA user fee tax credit, certain sales and use tax exemptions, and the ability to monetize existing in-state research and development (R&D) credits.
- **Ohio:** The Board of Tax Appeals concluded an individual who was the primary contact with the state tax auditors was a responsible person and was liable for unremitted sales taxes.

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

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