



# TaxNewsFlash

United States



No. 2020-002  
January 2, 2020

## KPMG report: State and local tax, technology-related guidance (table, fourth quarter 2019)

A report of U.S. state and local tax developments concerning technology-related tax issues, for the fourth quarter of 2019, provides updates in table format and covers topics such as access to web-based services, guidance on digital equivalents, taxability of software, and other items.

Read the [KPMG report](#) [PDF 79 KB] of state and local technology-related tax developments for the fourth quarter of 2019.

### Highlights

- **Illinois:** A state appellate court upheld the imposition of a Chicago amusement tax on amusements delivered electronically—including video streaming, audio streaming, and online games. The court found the tax did not have an extraterritorial effect (because of the sourcing regime used), did not violate the uniformity clause of the state constitution, and did not violate the Internet Tax Freedom Act prohibition on discriminatory taxes on electronic commerce.
- **Utah:** The tax commission concluded that a taxpayer was not a marketplace facilitator for sales occurring through its referral business.
- **Wisconsin:** The state tax appellate commission determined that sales of on-demand seminars for continuing legal education (CLE) credit—digital audiovisual works—were not subject to sales and use tax because the true object of the transaction was an educational service.
- **Wisconsin:** Effective July 1, 2020, charges for internet access services are not subject to sales and use tax. Bundled transactions that include internet access along with taxable products and that are sold for one non-itemized price will be subject to tax if the taxable product is greater than 10% of the total purchase price. If the nontaxable portion of the transaction can be determined through reasonable and verifiable standards from the books and records, a retailer may, at its option, impose the tax only on the taxable portion of the transaction.

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