



TaxNewsFlash

United States



No. 2020-089
February 24, 2020

KPMG reports: Colorado (multiple audits); Florida (video streaming); New Jersey (combined group NOLs); Ohio (commercial activity tax)

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.

- **Colorado:** A state appellate court concluded that the doctrine of issue preclusion did not prevent a taxpayer from challenging a sales and use tax assessment. The taxpayer was first audited by the municipality of Golden, Colorado. The issues in that audit went to trial. Subsequently, there was a second and third audit, and the city asserted the taxpayer was precluded from challenging the tax treatment of certain transactions based on findings in the earlier trial. The appeals court held that there had not been any findings as to the reliability of the taxpayer's overall accounting system or sales journals and that the taxpayer was not barred from challenging the taxability of its transactions in the subsequent case. Read a [February 2020 report](#)
- **Florida:** The Department of Revenue issued guidance (a Technical Assistance Advisement) in response to a taxpayer's inquiry as to the taxability of its online platform offering, and concluding that the taxpayer's sales of subscriptions would be subject to the communications sales tax with the sales sourced to the location where the customer receives the video service. Read a [February 2020 report](#)
- **New Jersey:** The Division of Taxation issued guidance on computing and using net operating losses (NOLs) and carryovers in the combined group context. For privilege periods ending on and after July 31, 2019, New Jersey requires entities engaged in a unitary business to file combined returns, and New Jersey combined group NOL deductions and New Jersey combined group NOL carryovers must be calculated on a post-allocation basis. Read a [February 2020 report](#)
- **Ohio:** The Board of Tax Appeals agreed with the taxpayer (a captive automobile financing company) that certain types of receipts were not subject to the commercial activity tax (CAT)—specifically, receipts from sales of retired leased vehicles, receipts from securitization transactions, and subvention payments. Read a [February 2020 report](#)

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)