



TaxNewsFlash

United States



No. 2020-114
March 16, 2020

KPMG reports: Maryland (corporate tax proposals); New York (digital taxation); New York (intercompany title transfers); Wisconsin (foreign partnership distributions)

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.

- **Maryland:** Several significant tax bills were passed by the House, and have moved to the Senate for consideration. The proposals include measures to adopt mandatory unitary combined reporting; to provide a throwback rule for apportioning sales of tangible personal property; and to allow pass-through entities to elect to pay tax at the entity level with respect to the distributive shares or pro-rata shares of resident members of the pass-through entity. A separate sales and use tax bill would extend the sales tax to sales of certain digital products effective July 1, 2020, and would impose sales and use tax on telemarketing bureaus and other content center services and lobbying or public relations services. The status of these proposals is unclear, given that legislature announced this year's regular session would be ending early due to the coronavirus (COVID-19 situation). Read a [March 2020 report](#)
- **New York:** Legislation was introduced in the New York Senate that would impose a tax on revenues from digital advertising services in New York. This proposal, Senate bill 8056, is substantially similar to the measure under consideration in Maryland. If enacted, the tax would be effective for tax years beginning on or after January 1, 2021. Read a [March 2020 report](#)
- **New York:** A state court held that intercompany transfers of title to "loaner cars" constituted retail sales for sales and use tax purposes. In reaching this decision, the court noted that it was "troubled" by what it considered a technical application of the law that was arguably not consistent with the intent of the law to tax purchases by final consumers. Read a [March 2020 report](#)

- **Wisconsin:** A state court recently upheld a decision by the Tax Appeals Commission that cash distributions from a foreign partnership that had elected to be treated as a corporation for federal income tax purposes, were eligible for the Wisconsin dividends-received deduction. Read a [March 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](#)