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KPMG reports: Georgia (personal property tax); Maryland (digital taxation); Michigan (apportionment)

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.

- **Georgia:** A state appellate court affirmed a trial court's decision granting a taxpayer a so-called "Freeport property tax exemption" on parts stored in the state before being shipped to out-of-state locations. Under Georgia law, so-called "freeport" exemptions apply to several types of property, including an inventory of finished goods that were stored in a warehouse and destined for shipment to a final destination outside" Georgia. Read a **March 2020 report**

- **Maryland:** In the legislative session that ended earlier than usual due to the coronavirus—certain tax bills passed both houses of the legislature and are pending consideration by the governor. **House Bill 732** [PDF 559 KB] includes provisions that would impose a tax on digital advertising gross revenues. If enacted, effective for tax years beginning on or after December 31, 2020, a new tax would be imposed on annual gross revenues derived from digital advertising services in Maryland. Another bill, **House Bill 932** [PDF 331 KB], would redefine the term "retail sale" to include the sale of certain digital products effective July 1, 2020. **Senate Bill 523** [PDF 238 KB] was amended to include a new election for passthrough entities to pay tax at the entity level with respect to resident owners. Read a **March 2020 report**

- **Michigan:** A state appeals court held that the statutory apportionment formula under the former Michigan business tax did not fairly reflect a taxpayer's income earned in the state on the sale of an out-of-state business. Under Michigan law, "an apportionment formula will be struck if the taxpayer can prove by clear and cogent evidence that the income attributed to the state is in fact out of all appropriate proportions to the business transacted … in that state, or has led to a grossly disported result." The case was remanded back to the Michigan Department of Treasury to determine an appropriate alternative apportionment method. Read a **March 2020 report**

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