



# TaxNewsFlash

United States



No. 2020-287  
May 4, 2020

## KPMG reports: Illinois (storage use tax exemption); New York (digital advertising tax); South Carolina (membership fees, sales 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.

- **Illinois:** A state appeals court held that a taxpayer was not entitled to a temporary storage use tax exemption when newly purchased solvent was stored in Illinois before being used at out-of-state client locations and then the solvent returned to Illinois, cleaned, and then mixed with new solvent and used again at client locations. The court stated property that leaves the state and then returns to the state for further storage is not “temporarily stored” in the state. Read a [May 2020 report](#)
- **New York:** A proposal introduced in the state legislature would impose sales and use tax on digital advertising services, unless such services were purchased for resale. The bills define “digital advertising services” as “advertisement services on a digital interface, including advertisements in the form of banner advertising, search engine advertising, interstitial advertising, and other comparable advertising services that market or promote a particular good, service, or political candidate or message.” Read a [May 2020 report](#)
- **South Carolina:** A state appeals court held that a bookseller's membership fees (that entitled customers to discounts and free shipping) were subject to sales and use tax. The court found the membership fees were a direct result of the sale of tangible personal property because the taxpayer would not be able to sell memberships but for its sale of tangible personal property. Read a [May 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](#)