



TaxNewsFlash

United States



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KPMG reports: Nevada (tax amnesty); Washington State (B&O tax, loans)

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.

- **Nevada:** Under recent tax legislation, a tax amnesty program is to be provided for a period of not more than 90 days and ending no later than June 30, 2021. Read a [July 2020 report](#)
- **Washington State:** An administrative proceeding concerned whether the Department of Revenue had properly attributed various types of loan-related fees to Washington State. The loans were secured by real property located in the state. The taxpayer argued certain fees—including document review fees and closing charges—were not “loan servicing fees,” but were undertaken for other lenders while creating the loan. As such, the taxpayer argued these fees represented receipts from other services that must be attributed outside Washington State. The Tax Review Officer disagreed. Although the term “loan service fees” was not defined in the law, the officer determined that the term “loan service fee” was defined by reference to extending credit for the purpose of buying real property. In the officer's view, these activities represented “loan services” within the industry, and fees generated from these activities were considered to be loan service fees for Washington business and occupation (B&O) tax purposes. Read a [July 2020 report](#)
- **Washington State:** The Department of Revenue responded to an appellate court's decision holding that the benefit of a company's online loan referral service was received at the location where the lenders (the taxpayer's customers) received and used the information contained in a referral to generate a potential loan for a borrower. As such, for B&O tax purposes, the taxpayer's receipts were attributed to the lender's location. The Department of Revenue's statement indicates that the appellate court's opinion “does not suggest that Washington must always attribute receipts to a customer's business location, nor does the case represent a new legal framework.” In the Department of Revenue's view, if a taxpayer provides marketing or advertising services to a customer engaging in selling goods or services, the customer's most directly related activity is “selling” and that activity occurs in the customer's market, and receipts will be attributed to that location. Read a [July 2020 report](#)

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