



TaxNewsFlash

United States



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KPMG reports: California (property tax); Indiana (throw-back rule); New Mexico (refund claims); South Carolina (investment tax credit)

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.

- **California:** A ballot initiative would, if approved, end decades of established policy as to how commercial and industrial properties are taxed. Read a [November 2020 report](#).
- **Indiana:** The Department of Revenue issued a “letter of findings” rejecting a recreational vehicle (RV) dealer’s position that it was taxable in other jurisdictions so that its receipts did not have to be “thrown back” to Indiana and included in the Indiana sales factor numerator. The taxpayer appeared to argue that because it reimbursed repair shops in the other jurisdictions for repairs to its customers’ RVs, this treatment enabled it to fulfill its warranty obligations and was taxable in the other jurisdictions. Read a [November 2020 report](#).
- **New Mexico:** A state appeals court held that a taxpayer was not required to file an amended return as a prerequisite to requesting a refund claim. For the tax year at issue, the statute did not specifically require a taxpayer to file an amended tax return. However, a Department of Revenue’s regulation mandates that a taxpayer claiming a refund must provide a copy of the appropriate, fully amended return for the period in which the refund was claimed. After a hearing officer concluded that the regulation was a proper interpretation of the law, the taxpayer appealed. On appeal, the appellate court held that the Department’s authority to regulate was limited to the extent the regulation effectively abridged the taxpayer’s right to pursue a claim for refund. Read a [November 2020 report](#).
- **South Carolina:** An administrative law court concluded that a statute allowing taxpayers that are subject to the license tax, an investment tax credit for qualifying property placed in service was ambiguous as to whether the credit limitation was \$5 million annually or \$5 million over the taxpayer’s lifetime. Because the credit worked as a deduction, the court concluded that ambiguity was resolved against the taxpayer. Read a [November 2020 report](#).

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