



TaxNewsFlash

United States



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KPMG reports: New York State (digital advertising receipts); Texas (apportionment); Virginia (industrial manufacturing exemption)

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.

- **New York State:** The Department of Taxation and Finance issued an advisory opinion concluding that receipts from digital advertisements produced by the taxpayer's prewritten computer software were subject to sales and use tax. The opinion concludes that by granting customers access to the software for their own use, the taxpayer was making a sale of taxable tangible personal property to the extent any of its customers' employees who used the software were in New York. Read a [November 2020 report](#)
- **Texas:** Proposed revisions to the regulation addressing apportionment of margin include changes relating to the rules for sourcing service receipts. The proposed changes to the regulation include guidance on interpreting the location where a service is considered performed, and generally, a service will be performed at the location of the receipts-producing, end-product act or acts—a new test that aligns with language adopted by the appeals court in the *Sirius XM* case. There are also numerous other changes in the proposed regulation. Read a [November 2020 report](#)
- **Virginia:** The Commissioner of Revenue ruled that a company that prepared meals in airport kitchens and worked with airlines to create meals that were particular to the airline's requirements was not entitled to the sales and use tax exemption applicable to industrial manufacturing. The ruling concluded that the taxpayer's activities did not fall within the qualifying NAICS code. Read a [November 2020 report](#)

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