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KPMG reports: Maryland (digital advertising, digital products); New York City (services sourcing); Ohio (IP sourcing); West Virginia (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.

- **Maryland:** The General Assembly currently is considering legislation that would revise the digital advertising tax (including a delay of the effective date to tax years beginning after December 31, 2021). The proposals would also make certain technical corrections to recently enacted legislation that imposes sales and use tax on sales of digital products and codes. Read an **April 2021 report**

- **New York City:** A state appellate court held for the city in a case concerning where services were performed for purposes of the sales factor. The court found the activities of the taxpayer's salespeople, IT staff, consulting managers, and core consultants all contributed to the performance of services provided to clients, and thus, that the efforts of all these individuals were all part of the delivery of services for which clients paid an upfront flat subscription fee that was subject to tax. Read an **April 2021 report**

- **Ohio:** The Board of Tax Appeals concluded that a taxpayer had receipts attributed to Ohio under the sourcing rules of the commercial activity tax (CAT) with regard to receipts from sales of the right to use intellectual property (IP). The treatment of the broadcast receipts, media revenue, license fees, and sponsor fees were determined to be located based on where the purchaser of the rights used them or gained the right to use the IP—in this case, partially in Ohio. Read an **April 2021 report**

- **West Virginia:** Newly enacted legislation implements single-sales factor apportionment and market-based sourcing. The legislation also repealed the sales factor "throw-out rule" that applied to sales of tangible personal property attributed to states where the taxpayer is not taxable. Read an **April 2021 report**