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KPMG reports: Arkansas (software sales); Idaho (tax rate reductions); Maryland (single-sales factor formula)

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.

- **Arkansas:** The Department of Finance and Administration concluded that allowing access to, and use of, software over the internet is not a specifically enumerated taxable service. Therefore, Arkansas sales and use tax did not apply to the sale of a company's cloud-based software application. Read a **May 2021 report**

- **Idaho:** Legislation has been enacted that reduces the state's corporate income tax rate to 6.5% (from 6.925%) effective January 1, 2021. The state's highest individual income tax rate was also reduced to 6.5%. Read a **May 2021 report**

- **Maryland:** A state appellate court concluded that the Comptroller's decision to require an alternative apportionment formula was entitled to a "more than the usual" presumption of correctness, and once the Comptroller selected an alternative method, the taxpayer has the "heavy" burden of establishing that the alteration was unfair. The court concluded that the Comptroller had correctly required a group of corporations to use a single-sales factor formula in computing Maryland taxable income. Read a **May 2021 report** 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.

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