



TaxNewsFlash

United States



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KPMG reports: Missouri (remote sellers, marketplace facilitators); Indiana (pharmacy benefits management); Nevada (modified business tax rate)

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.

- **Missouri:** Senate Bill 153 includes changes to the state's sales and use tax code, including the adoption of an economic nexus threshold effective January 1, 2023. The measure requires both remote sellers and marketplace facilitators to collect and remit sales taxes. [Missouri is the last state to update its sales and use tax nexus standard after the U.S. Supreme Court decision in *Wayfair*.] Read a [May 2021 report](#)
- **Indiana:** The state's tax court held that the Department of Revenue had failed to establish that a taxpayer was selling prescription drugs (i.e., tangible personal property) and therefore was required to apply corporate income tax-sourcing rules to these sales. At issue was whether the taxpayer—a pharmacy benefit management company—derived income from the retail sale of prescription drugs or from the provision of services. The taxpayer's business was administering prescription drug and pharmacy benefits for its health insurer clients that in turn paid a service charge for certain benefits, including access to a network of third-party retail pharmacies that provided discounted prescription drugs, assistance with claims processing and adjudication, and call center services. The service charge included the cost of the drugs dispensed by the local pharmacy, the local pharmacy's dispensing fees, and the taxpayer's administrative fee. After reviewing the evidence, the tax court ultimately granted summary judgment for the taxpayer, finding that it was a service provider. Read a [May 2021 report](#)
- **Nevada:** The state's Supreme Court held that legislation that repealed a previous reduction of the modified business tax (MBT) rate was unconstitutional because it had not received a 2/3 vote in each chamber of the legislature. Under Nevada law, a 2/3 vote of each chamber is required to pass any bill that increases taxes. Although it was asserted that the legislation did not increase taxes (because the existing higher MBT rates were maintained), the high court noted that under the

legislation at issue, the state generated approximately \$100 million of additional tax revenue. Read a [May 2021 report](#)

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