

# US STATE & LOCAL NEWSLETTER

November 16, 2020 to November 30, 2020



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This newsletter brings to you the key updates in various states on income tax and sales and use tax matters during the period November 16, 2020 to November 30, 2020.

## ► STATE INCOME TAX

### 1. General updates

State	Update
Louisiana	L. 2020, S52 (Act 56), effective 11/05/2020 , provides for credits for certain property taxes paid for the 2020 tax year. Current law provides a tax credit against state income and franchise taxes for property taxes paid to political subdivisions on certain inventory, property taxes paid with respect to vessels in Outer Continental Shelf waters, and property taxes paid by certain telephone companies. The credit is claimed on the tax return for the year in which the property taxes were paid. As amended, the legislation provides that taxpayers that pay property taxes for the 2020 tax year that are eligible for one of the three property tax credits but that pay the property taxes after December 31, 2020, may elect to treat these taxes as having been paid on December 31, 2020, for purposes of the applicable credit, provided that the payments are made to the local tax collector on or before April 15, 2021. Taxpayers that make this election cannot also claim these taxes as having been paid in 2021 for purposes of claiming this credit for the 2021 tax year. <a href="https://www.legis.la.gov/Legis/BillInfo.aspx?i=239593">https://www.legis.la.gov/Legis/BillInfo.aspx?i=239593</a>
Louisiana	L. 2020, S62 (Act 59), effective 11/05/2020 , provides for the refundable portion of the inventory tax credit for certain manufactures impacted by the 2020 emergencies and disasters. Current law provides a state tax credit against income and franchise taxes for property taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of credit in excess of tax liabilities that may be refunded to a taxpayer is limited depending on the amount of property taxes paid by the taxpayer. The legislation authorizes a full refund of the credit for property taxes on inventory paid for tax year 2020 by taxpayers if the total property taxes the taxpayer paid to all local taxing authorities is \$1 million or less. This only will apply to taxpayers that employed a minimum of 100 full-time employees at each locations in the state for whom withholding tax was remitted to the Louisiana Department of Revenue for at least one month within each of the first three quarters of calendar year 2020. These provisions do not apply to manufacturers as defined in La. Rev. Stat. Ann. §47:6006(C)(3)(b). <a href="https://www.legis.la.gov/Legis/BillInfo.aspx?i=239607">https://www.legis.la.gov/Legis/BillInfo.aspx?i=239607</a>
Wisconsin	The Wisconsin Department of Revenue has issued a guidance document that discusses the sales tax treatment of live in-person educational services; live digital online educational services; tangible books and videos; and digital books and videos. Sales of live in-person educational services are not taxable in Wisconsin; when a person provides live in-person educational seminars or furnishes classes at a college or technical school, the charge for the educational services is not taxable, including the service provider's charge for mandatory educational materials. Sales of live digital online educational services are likewise not taxable in Wisconsin; when a person provides live educational webinars, i.e., live online classes or seminars for people to view from their personal computer, the charge for the educational services is not taxable, including the service provider's charge for mandatory educational materials. Sales of tangible personal property, including educational products, are taxable in Wisconsin unless an exemption applies. Lastly, sales of certain digital goods including digital audio works, digital audiovisual works, and digital books are taxable in Wisconsin unless an exemption applies. <a href="https://www.revenue.wi.gov/Pages/TaxPro/2020/news-2020-201116.aspx">https://www.revenue.wi.gov/Pages/TaxPro/2020/news-2020-201116.aspx</a>

	For example, the sale of a digital good (e.g., a pre-recorded webinar) may not be taxable if the purchaser is receiving an educational service, and the pre-recorded webinar is transferred to the purchaser incidentally to the educational service. (Wisconsin News for Tax Practitioners No. 11/16/2020, 11/16/2020.) <a href="https://www.revenue.wi.gov/Pages/TaxPro/2020/news-2020-201116.aspx">https://www.revenue.wi.gov/Pages/TaxPro/2020/news-2020-201116.aspx</a>
<b>Oregon</b>	The Oregon Department of Revenue has provided guidance that states, for purposes of the Oregon corporate excise/income tax, the presence of teleworking employees of a corporation in Oregon between March 8, 2020 and December 31, 2020 will not be treated by the Department as a relevant factor when making a nexus determination if the employees in question are regularly based outside Oregon. The previous end date for this policy was November 1, 2020. (COVID-19 Tax Relief Options, 11/20/2020.) <a href="https://www.oregon.gov/dor/Pages/COVID19.aspx">https://www.oregon.gov/dor/Pages/COVID19.aspx</a>

## ► STATE SALES AND USE TAX

### 1. General updates

State	Update
<b>Georgia</b>	The Georgia Department of Revenue has announced that there will be no county tax rate changes effective January 1, 2021. (No County Tax Rate Changes for January 2021, Ga. Dept. of Rev., 11/12/2020.) <a href="https://dor.georgia.gov/sales-tax-rates-general">https://dor.georgia.gov/sales-tax-rates-general</a>
<b>New York</b>	The Department of Taxation and Finance has issued an Advisory Opinion concluding that the taxpayer's receipts from its digital advertising campaign management platform are taxable as sales of pre-written software. The taxpayer's customers use the platform to create digital advertisements. The Department determined the taxpayer's platform services are sales of pre-written software, because "customers access [] certain software tools to create, deliver and manage their own digital advertisements," and the software is not customized. Customers are invoiced for their purchases for a total charge, without reflecting a separate charge for platform access. The taxpayer's consulting and advertisement placement services would not be taxable if separately stated, but as they are part of the total charge, the entire receipt is subject to tax. (New York Advisory Opinion No. TSB-A-20(22)S, 06/30/2020, released November 2020.) <a href="https://www.tax.ny.gov/pdf/advisory_opinions/sales/a20_22s.pdf">https://www.tax.ny.gov/pdf/advisory_opinions/sales/a20_22s.pdf</a>
<b>Washington</b>	The Washington Department of Revenue has announced that, effective January 1, 2021, the City of Sunnyside will establish a transportation benefit district (TBD). Consequently, the sales and use tax rate within Sunnyside will increase 2/10 of 1% (0.002). The additional revenue generated by the tax will be used for transportation services. After the increase, the combined state and local sales and use tax rate in Sunnyside will be 8.2%. The total sales and use tax rate for motor vehicle sales or leases (up to the first 36 months of the lease) will be 7.9% (City of Sunnyside Transportation Benefit District Car Dealers and Leasing Companies Effective January 1, 2021, Wash. Dept. of Rev., 11/02/2020; City of Sunnyside Transportation Benefit District Effective January 1, 2021, Wash. Dept. of Rev., 10/29/2020.) <a href="https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2021/2021_Jan_Sunnyside_MVET.pdf">https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2021/2021_Jan_Sunnyside_MVET.pdf</a>
<b>Washington</b>	The Washington Department of Revenue has announced that, effective January 1, 2021, the sales and use tax rate in Pend Oreille County will increase 1/10 of 1% (0.001). The additional revenue generated by the tax will be used for chemical dependency and mental health purposes. After the increase, the combined state and local sales and use tax rate in Pend Oreille county will be 7.7%. (Pend Oreille County Mental Health Tax Effective January 1, 2021, Wash. Dept. of Rev., 10/28/2020.) <a href="https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2021/2021_Jan_PendOreille.pdf">https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2021/2021_Jan_PendOreille.pdf</a>



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