



TaxNewsFlash

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KPMG reports: New York (taxable service); Texas (depreciation); Washington (manufacturer exemption); New Mexico and Oregon (service receipts)

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:** The Department of Taxation and Finance concluded that an individual who sewed quilts for customers was performing a taxable service.
- **Texas:** An administrative law judge found that a Spanish-language television and radio broadcaster was not entitled to deduct, as cost of goods sold (COGS), costs associated with depreciation and amortization of transmitters, antennas, and towers (i.e., distribution equipment) but could depreciate its FCC license and costs associated with equipment used to produce television and radio programs.
- **Washington State:** An administrative law judge found that reels used to store and ship wire cable, manufactured by the taxpayer, were not exempt from sales and use tax under the manufacturing exemption.
- **New Mexico and Oregon:** Proposed “market-based sourcing” legislation being considered in both states would adopt a location of delivery rule for service receipts.

Read more at KPMG's [*This Week in State Tax*](#)

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