

# TaxNewsFlash

## United States

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### **KPMG reports: District of Columbia (paid leave); Georgia (books); Kentucky (insurance); Utah (pallets)**

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.

- **District of Columbia:** Legislation providing for universal paid leave has been approved by the D.C. Council, and has been sent to the U.S. Congress for a mandatory 30-day review period. Under the program, “covered employers” would be required to make contributions to a fund, with the amount to be contributed being 0.62% of the wages paid for each “covered employee.”
- **Georgia:** The state tax tribunal held that an out-of-state bookseller had nexus with Georgia and, thus, was required to collect and remit sales and use tax. The taxpayer (a school textbook provider) did not have employees, property, or any other physical presence in Georgia, but marketed its products to students through teachers (who earned bonus points on sales that could be redeemed for books or other types of items used in the classroom).
- **Kentucky:** The state claims commission concluded that purchases of “smart paper” by the taxpayer (and used by the taxpayer in providing various insurance-related services to several affiliated insurance companies) was not exempt from sales tax as “sales for resale.” The insurance affiliates were paying for the taxpayer’s insurance-related services, and not for any tangible personal property (the smart statements) provided to Kentucky members.
- **Utah:** The state tax commission ruled that a pet food manufacturer was not entitled to a refund of sales tax paid on rentals of pallets used to ship pet food to customers. Because the pallets were returned to a pallet-pooling company, the taxpayer did not qualify for a sales and use tax exemption available for nonreturnable shipping containers.

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

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