



TaxNewsFlash

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KPMG reports: Arizona (electric cooperative); Connecticut (Internet retailers); Iowa (nexus consolidated return); Louisiana (Governor's Budget Stabilization Plan)

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.

- **Arizona:** The Arizona Court of Appeals rejected a non-profit electric cooperative's claim for refund of use taxes paid on purchases of coal and natural gas used in generating electricity because the fuels at issue did not directly enter into or become an ingredient or component part of the electricity and thus were not purchased for resale.
- **Connecticut:** The Commissioner of Revenue Services announced that the state is stepping up efforts to enforce collection of sales and use taxes by Internet retailers with a significant volume of sales into the state.
- **Iowa:** The state Supreme Court held that a parent corporation lacked the requisite nexus to be included in a consolidated return with two LLC subsidiaries that had elected to be treated as corporations for federal—and Iowa—tax purposes.
- **Louisiana:** In his recently released 2017 Budget Stabilization Plan, the Governor issued details of tax changes including, sunseting the new "clean penny" one cent sales and use tax, eliminating the corporate income tax deduction for federal taxes paid and reducing the highest marginal corporate income tax rate from 8% to 7%. The plan would phase out the corporate franchise tax over a 10-year period and adopt a new gross receipts tax, the Louisiana Commercial Activity Tax or LACAT.

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

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