



TaxNewsFlash

United States

No. 2017-338
August 14, 2017

KPMG reports: New York (captive insurance); New York (internet access); Texas (apportionment); Washington State (real estate excise tax)

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 state's tax appeals tribunal held that a taxpayer was not entitled to deduct premiums paid to a captive insurance subsidiary in computing New York entire net income for the tax years at issue.

New York: A state trial court remanded a refund proceeding to a state tribunal, in a case concerning claims for refunds of sales and use taxes erroneously collected on charges for internet access.

Texas: The Comptroller's office announced a revised position—that applies for all open years—concerning the inclusion of net operating losses in the apportionment factor, thereby applying the holding of a decision of the Texas Supreme Court (taxpayer not required to include a net loss resulting from the sale of an investment in computing its apportionment factor).

Washington State: A tax review officer concluded that the real estate excise tax owed on a 2015 transfer of a 50% interest in a limited liability company (LLC) that in turn owned real property was based on the property's assessment value in 2014 (for which taxes were due in 2015), but that the transfer was subject to the full amount of the real estate excise tax.

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

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is

not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)