



TaxNewsFlash

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KPMG reports: Massachusetts (disaster losses); New Jersey (click-through nexus); North Carolina (interest deduction); Wisconsin (software licensing)

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.

- **Massachusetts:** An appeals court affirmed a decision of an appellate tax board that an electric company (subject to the tax on utility corporations) that incurred a \$62 million loss as a result of a 2008 ice storm, could not apply the disaster loss to a year other than the year of the disaster (unlike the federal tax treatment for disaster losses).
- **New Jersey:** The Division of Taxation announced that out-of-state businesses that have "click-through" nexus with the state will be offered a chance to participate in a special voluntary disclosure program.
- **North Carolina:** The state's Supreme Court held that market discount income with respect to the disposition of U.S. government bonds was not deductible interest for purposes of the state's corporate income tax.
- **Wisconsin:** The Tax Appeals Commission, applying the income-producing activity test, determined that receipts from licensing the right to install and replicate proprietary software were receipts from licensing an intangible right.

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

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