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KPMG reports: Alabama (business license); Illinois (internet sales); New York (combined reporting); Wisconsin (corporate 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.

- **Alabama:** A state appeals court held that a city's business license-tax that as applied to receipts from a taxpayer's lumber sales, did not violate the Import-Export Clause of the U.S. Constitution, when the gross revenues from export sales were used in calculating the business-license tax liability.

- **Illinois:** A state appeals court held that an internet retailer with "bricks and mortar" affiliates (stores) in Illinois did not have nexus with the state and thus was not required to collect and remit sales tax on internet sales to Illinois customers. The court found that the physical presence of the retail stores could not be attributed to the internet retailer, given the two businesses were separate entities with separate financial statements, balance sheets, and tax returns.

- **New York:** A tax appeals tribunal upheld a determination of an administrative law judge that certain related corporations were required to file a combined report for the tax years 2007 through 2014, and that intercompany royalties were subject to addback in determining substantial intercorporate transactions.

- **Wisconsin:** The budget bill (recently signed into law) includes corporate income tax changes concerning IRC conformity, the treatment of net operating losses, and sourcing rules for service receipts, among others.

Read more at KPMG's ***This Week in State Tax***

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