



TaxNewsFlash

United States

No. 2017-518
November 20, 2017

KPMG reports: Connecticut (combined reporting); Pennsylvania (net loss limits); Tennessee (cloud computing); Vermont (nexus)

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.

- **Connecticut:** Newly enacted legislation extends the deduction against income to offset the financial statement impact (the "FAS 109 deduction") to 30 years, effective for the income year of the combined group that begins in 2018. A second bill, if signed by the governor, would make the effective date 2021 (instead of 2018).
- **Pennsylvania:** After the state's high court held that a \$3 million net loss deduction limitation, as in effect for the 2007 tax year, violated the Uniformity Clause of the Pennsylvania Constitution, the Department of Revenue issued prospective guidance.
- **Tennessee:** The Department of Revenue ruled that an annual subscription fee for access to a cloud-based scheduling interface was subject to sales tax.
- **Vermont:** The Department of Taxes released a draft technical bulletin summarizing when taxpayers are considered to have established Vermont corporate income tax nexus, and clarifying that physical presence is not required to create nexus.

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](#)