



TaxNewsFlash

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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](#)

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