



# TaxNewsFlash

## United States

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### **KPMG reports: New York (information services); Pennsylvania (refund claims); Tennessee (taxpayer conferences); Utah (foreign operating company)**

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 appellate division of the state's Supreme Court held that a taxpayer's purchase of competitive pricing reports was not a taxable information service.
- **Pennsylvania:** The state's Supreme Court addressed the statute of limitations for filing refund claims, and held the taxpayer's refund claim was untimely because it was not filed within three years of the income tax return's due date for filing its corporate income tax return.
- **Tennessee:** The Department of Revenue issued an annual report summarizing several tax topics addressed during 286 "informal conferences" with taxpayers conducted during fiscal year 2017—of which 35 addressed franchise and excise tax issues only, and 117 were sales and use tax-related.
- **Utah:** An administrative law judge ruled that a company with no property or payroll outside the United States lacked the requisite business activity outside the United States to qualify as a foreign operating corporation to support a corporate taxpayer's deduction for half of the foreign company's adjusted income. On a second issue, the administrative law judge found the tax authorities improperly removed the gross amount of receipts associated with the "sell side" of certain buy-sell agreements from a taxpayer's sales factor. Under Utah law, the sales factor includes gross amounts realized from sales or exchanges of property that produce business income recognized by the Internal Revenue Code, and the judge found that the sell side amounts were so recognized.

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

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