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KPMG reports: Arkansas (advertising); Indiana (software); New York (federal tax deductions); Rhode Island and Connecticut (CEO pay ratio)

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.

- **Arkansas:** The Department of Finance and Administration issued a legal opinion concluding that a bus advertiser did not qualify as an "advertising agency" so that it would be exempt from the requirement to collect Arkansas gross receipts tax on its services. The advertising exemption requires a business to demonstrate that it is an advertising agency and is providing comprehensive professional advertising services to its clients.

- **Indiana:** Bills pending in the state legislature would address the taxation of remotely accessed software.

- **New York:** The governor announced proposals in response to new federal tax law provisions that repealed the uncapped state and local tax deduction. The proposals would aim to provide relief to New York residents adversely affected by the federal tax law changes.

- **Rhode Island** and **Connecticut:** Legislation has been proposed in both states that would effectively provide for "CEO pay ratio" taxation—that is, an additional tax to be imposed on publicly traded companies subject to the SEC's pay ratio reporting requirements.

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