



# TaxNewsFlash

## United States

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### **KPMG reports: California (San Francisco rent tax); Missouri (financial institutions taxation); New Jersey (tax amnesty)**

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.

- **California:** San Francisco's voters passed by a simple majority Proposition C, that imposes an additional "Early Care and Education Commercial Rents Tax" on each person that receives gross receipts from leasing or subleasing commercial real estate in the City of San Francisco. This tax is in addition to the existing San Francisco gross receipts tax that likewise applies to such receipts and is imposed at progressive rates that range from 0.285% to 0.3%. Effective January 1, 2019, gross receipts from the lease of warehouse space will be taxed at an additional 1.0%, and gross receipts from leases of other commercial space will be taxed at an additional 3.5%. There are a number of exemptions and exclusions from the new tax.
- **Missouri:** Missouri's governor signed Senate Bill 769 that changes the taxation of banks, thrifts, and credit institutions. The bill provides that for all tax years beginning in a calendar year in which there is a reduction in the rate of tax imposed under the corporate income tax law, there will be a corresponding and proportional reduction in the rate of franchise tax imposed on banks, thrifts, and credit institutions. The reduced rate will be the applicable rate in each subsequent calendar year. Under current law, Missouri's corporate income tax rate is scheduled to drop from 6.25% to 4.0% for all tax years beginning on or after January 1, 2020. Thus, the current 7.0 % franchise tax rate applicable to banks, thrifts and credit institutions would likewise be reduced by to 4.48% beginning for the same period.
- Senate Bill 769 also clarifies that any entity not subject to the tax on corporations would not be required to complete or file any document or return related to corporate income taxes.

- **New Jersey:** New tax law (Assembly Bill 3438) requires the Division of Taxation Director to establish a tax amnesty program in the coming months.

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

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