



TaxNewsFlash

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KPMG reports: Texas (manufacturing exemption, software); Wisconsin (taxable laundry services)

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.

- **Texas:** A state appeals court held that a taxpayer's software purchases were not exempt from sales tax under the state's manufacturing exemption. The purchased software was used to produce semiconductor chips in a virtual design process, with the semiconductor chips being produced by a third-party foundry in Taiwan. The court concluded that the software was not used in manufacturing for sales tax purposes in Texas.
- **Wisconsin:** A state appeals court upheld a sales tax assessment against a provider of contract cleaning services. The taxpayer provided management, supervision, labor, and materials necessary for performing housekeeping and laundry services for several nursing home, retirement center, and rehabilitation facility clients. The court found the taxpayer was providing taxable laundry services.

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

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