

# TaxNewsFlash

## United States



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## KPMG reports: Colorado (combined reporting); Connecticut (corporate surtax); Florida (sales tax holiday); New Hampshire (forgiven PPP loans); Vermont (forgiven PPP loans)

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.

- **Colorado:** Newly enacted legislation reflects significant changes to the corporate income tax and sales and use tax laws.
  - House Bill 1311 requires corporations incorporated in certain foreign jurisdictions to be included in the combined group, and also changes Colorado's apportionment rule for combined filers from the *Joyce* rule to the *Finnigan* rule, effective for tax years beginning on or after January 1, 2022.
  - House Bill 1312 redefines tangible personal property to include digital goods and notes that the method of delivery does not affect the taxability of a sale of tangible personal property. In addition, beginning January 1, 2022, a retailer is not permitted to retain any money to cover the retailer's expenses in collecting and remitting sales tax for any filing period that the retailer's total taxable sales were greater than \$1 million.

Read a [June 2021 report](#)

- **Connecticut:** Newly enacted legislation (Senate Bill 1202) implements the revenue provisions of the state's budget. Concerning corporate income tax, the bill extends the 10% corporate surtax for the 2021 and 2022 income tax years. The schedule for phasing out the capital tax (previously to have been phased out by 2024) has been delayed. A tax amnesty program will be available from November 1, 2021, through January 31, 2022, and qualifying restaurants will be allowed to retain

the sales and use taxes they collect during certain designated periods of weeks. Read a [June 2021 report](#)

- **Florida:** The Department of Revenue announced the 2021 sales tax holiday begins July 1, 2021, and ends July 7, 2021. During this sales tax holiday, sales of qualifying recreation and outdoor items will be exempt from all or a portion of the state and local sales tax (the portion of the sales price of a qualifying item that is exempt from tax will vary, depending on the type of item and thus possibly making this sales tax holiday more challenging for retailers). In addition, purchases of admissions to qualifying entertainment and cultural events scheduled to be held from July 1, 2021, through December 31, 2021, will be exempt from sales tax if the tickets or admissions are purchased during the holiday week. The range of covered events includes live music and sporting events, movies, and museum and state park entries as well as admissions to a range of cultural and artistic events. Read a [June 2021 report](#)
- **New Hampshire:** Senate Bill 3 amends the business profits tax treatment of "Paycheck Protection Program" (PPP) loans so that forgiven PPP loans are excluded from income and thus confirms that the New Hampshire tax treatment of forgiven PPP loans will mirror the federal treatment. Read a [June 2021 report](#)
- **Vermont:** Previously, forgiven PPP loans were includable in income and expenses paid with such amounts were deductible. House Bill 436 changes this treatment and confirms that for the 2021 tax year, forgiven PPP loans are not taxable in Vermont, and ordinary deductible business expenses paid using forgiven PPP loans are also deductible. Read a [June 2021 report](#)

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