

# TaxNewsFlash

## United States



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## KPMG reports: Illinois (apportionment and Bitcoin); Illinois (online retailer); Kansas (marketplace facilitator); Massachusetts (manufacturing corporation)

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.

- **Illinois:** The Department of Revenue issued guidance (a general information letter) addressing how Bitcoin is to be characterized for purposes of applying the state's apportionment rules. In the Department's view, Bitcoin is considered to be intangible personal property, but is not included in the more limited definition of patents, trademarks, copyright or other similar items.
- **Illinois:** The Department of Revenue issued guidance (a general information letter) concluding that a taxpayer was not a "marketplace facilitator" when it did not inform customers purchasing goods on its platform that the goods were being sold on behalf of third-party sellers. According to the guidance, when goods are sold without being identified as originating from the third-party marketplace seller, the goods are treated as a sale of goods directly from an online retailer. In Illinois, the sourcing rules for an online retailer are dependent on the online retailer's contacts with Illinois.
- **Kansas:** The Department of Revenue issued guidance regarding the marketplace facilitator measures that became effective July 1, 2021. The guidance clarifies certain measures such as a marketplace facilitator (that both makes direct sales and facilitates sales) may choose to report sales separately or on one return. The guidance provides additional information on waivers.
- **Massachusetts:** The appellate tax board held that a taxpayer was not eligible to be classified as a manufacturing corporation for tax purposes when it was not engaged in manufacturing as of January 1 of the calendar year. Although the taxpayer planned to begin manufacturing activities later in the year, the tax board concluded that the taxpayer must have been engaged in manufacturing as of January 1 to be classified as a "manufacturing corporation."

Read a [November 2021 report](#) prepared by KPMG LLP

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