



TaxNewsFlash

United States



No. 2021-441
November 8, 2021

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

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)