

# TaxNewsFlash

## United States



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## KPMG reports: Alabama (rental tax); Pennsylvania (sales tax on vehicle financing); Utah (reduced tax rates)

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.

- **Alabama:** The Department of Revenue issued a notice requiring rental facilitators to remit rental tax for leases made to Alabama customers or to comply with certain notice and reporting requirements. "Rental facilitators" are persons that facilitate third-party rental transactions of property classified as Class II or Class IV for property tax purposes. Rental facilitators are required to apply for a special tax account irrespective of whether they choose to remit rental tax or comply with the state's notice and reporting requirements.
- **Pennsylvania:** The Board of Finance and Revenue denied a taxpayer's claim for refund of sales tax for taxes paid on vehicle finance contracts written off as bad debts. Under Pennsylvania law, a vendor or lender is entitled to a refund of sales taxes when previously reported and paid to the Department of Revenue if certain conditions are met. For these purposes, a lender includes a person that owns or has owned a private label credit card account pursuant to a contract with the vendor that reported sales taxes. The Board of Finance and Revenue rejected the taxpayer's argument that its vehicle financing agreements were akin to private label credit cards.
- **Utah:** Senate Bill 59—signed into law on February 11, 2022—reduces the corporate income tax rate to 4.85% (from 4.95%) effective for tax years beginning on or after January 1, 2022. The state's flat individual income tax rate is likewise reduced to 4.85% (from 4.95%).

Read a [February 2022 report](#) prepared by KPMG LLP

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