

# TaxNewsFlash

## United States



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## KPMG reports: Colorado (online marketplaces); Iowa (software, NOLs); Missouri (digital clubs); New Jersey (virtual currency); Tennessee (R&D expenses)

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:** Recently enacted legislation (House Bill 1099) imposes numerous new requirements on online marketplaces. Under the new law, online marketplaces must require a "high-volume third-party seller" to disclose certain information to the marketplace, including the seller's bank account number, contact information, and business or individual tax identification number. A "high-volume third-party seller" is defined as a third-party seller that has entered into 200 or more discrete sales or transactions of new or unused consumer products for which the third-party seller has earned aggregate total gross revenues from sales on the marketplace of \$5,000 or more.
- **Iowa:** Pending legislation would adopt numerous sales and use and corporate tax changes—including revising the taxation of software as a service and conforming to the federal net operating loss (NOL) provisions of the "Tax Cuts and Jobs Act."
- **Missouri:** The Department of Revenue ruled that the sale of "digital" wine club memberships was subject to sales and use tax. Individuals paying a fee to join the digital wine club had access to a library of electronic materials on wine, cooking, reviews, travel tips, special offers, business and personal development resources, and discounts from the taxpayer's affiliate partners. In the Department's view, because the charge for the digital wine club included both taxable and non-taxable items without separating them, the taxpayer's digital club memberships were subject to Missouri state and local sales tax.
- **New Jersey:** The Division of Taxation issued guidance addressing the state's income and sales tax treatment of transactions involving convertible virtual currency.
- **Tennessee:** Newly enacted legislation (Senate Bill 2397) adopts IRC section 174 as it applied and existed immediately before the enactment of the "Tax Cuts and Jobs Act." This means that

Tennessee corporate taxpayers will not be required to capitalize certain research and development (R&D) expenses beginning with the 2022 tax year.

Read a [\*\*March 2022 report\*\*](#) prepared by KPMG LLP

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