



# TaxNewsFlash

## United States



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## KPMG reports: Colorado (retail delivery fees exempt from Denver sales and use tax); Idaho (rate reductions); Illinois (subject to tax in foreign country); New Jersey (convenience of employer rule)

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:** The Mayor of Denver recently signed an amendment to Denver's municipal code exempting from the city's sales and use tax base any government fee imposed directly on a consumer and separately stated on an invoice. In particular, the exemption will apply to the state retail delivery fee and the city's disposable bag fee. For prior coverage, read [TaxNewsFlash](#).
- **Idaho:** House Bill 1, which was recently signed into law, reduces Idaho's corporate income tax rate to 5.8% (from 6%)—effective January 3, 2023. The legislation also reduces the individual income tax rate and provides for rebates for individual taxpayers.
- **Illinois:** Under an amended regulation published on September 9, 2022, a taxpayer will be considered subject to tax in a foreign country for purposes of applying "throwback" or "throwout" even if the taxpayer is protected from taxation in the foreign country due to an income tax treaty with the United States—effective for tax years ending on or after December 31, 2022.
- **New Jersey:** The governor released proposed legislation intended to (1) alleviate the tax burdens imposed on residents who are assigned to work locations outside of the state, and (2) reduce the tax credits provided to residents who pay income taxes to other states. In particular, the proposed legislation would adopt a so-called "convenience of the employer" test for sourcing nonresident employee wages. The proposed legislation would also award tax credits to incentivize residents to file legal actions against other states that collect taxes from them for services they perform while physically located in New Jersey. Finally,

the proposed legislation would establish a pilot program to award grants to businesses that assign resident employees to New Jersey business locations. It appears that the bill has bipartisan support.

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

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