



# TaxNewsFlash

## United States



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## KPMG reports: Colorado (retail delivery fee guidance), Iowa (corporate income tax rate reduction), Texas (R&D credit), West Virginia (tax preparer must collect sales tax)

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 state tax authority proposed rules regarding the state's relatively new retail delivery fee that address application of the fee to certain types of retail sales, presentation of the fee on an invoice, types of sales not subject to the fee, and administration and enforcement of the fee. A virtual hearing on the proposed rules will be held on November 3, 2022.
- **Iowa:** The state tax authority announced that the state's corporate income tax rate applicable to income exceeding \$100,000 will be reduced to 8.4% effective for tax years beginning on or after January 1, 2023. The rate reduction results from legislation enacted earlier this year that implemented a formula for reducing the corporate income tax rate if net corporate income tax receipts exceeded \$700 million for the immediately preceding fiscal year. This process will continue each year until the rate is 5.5%.
- **Texas:** A district court struck down the requirement that a taxpayer must establish by clear and convincing evidence that it qualifies for the state's research sales tax exemption or is entitled to the state research and development (R&D) activities credit. In addition, the court held that related rules published in October 2021 may not be applied retroactively.
- **West Virginia:** An administrative law judge held that a company operating a franchised tax preparation service, whose employees were not certified public accountants, was not providing "professional" services and was thus required to collect sales tax.

Read an [October 2022 report](#) prepared by KPMG LLP

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