



# TaxNewsFlash

United States



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## KPMG reports: Colorado (streaming platform credits); New York (nontaxable information services); Oregon (business license tax law); South Dakota (bank franchise 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 issued a private letter ruling addressing the taxation of streaming platform credits. The taxpayer, a streaming platform, allowed viewers of its streaming content to purchase so-called platform credits, which could be used to show support for a particular streamer and allowed the viewer enhanced interaction with streamers. The ruling concluded that no sales tax was due when the company sold platform credits or when they were redeemed by the purchaser.
- **New York:** An administrative law judge (ALJ) held that a taxpayer providing customers with reports about activity relating to emails the customers sent to their prospective clients was selling nontaxable information services, rather than taxable prewritten computer software.
- **Oregon:** The City of Portland amended its business license tax law to adopt market-based sourcing effective for tax years beginning on or after January 1, 2023. Although the amendment has been approved, it will not take effect until substantially similar provisions are adopted by the governing bodies of Multnomah County and Metro. The Multnomah County Board of Commissioners approved the first reading of a revised ordinance at its September 29, 2022, meeting. The second reading is scheduled for October 13, 2022.
- **South Dakota:** The South Dakota Supreme Court held that the deduction for federal taxes under the state's bank franchise tax law is limited to the amount of taxes actually paid or an entity's actual tax liability—and not simply total income multiplied by the applicable tax rate.

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