



TaxNewsFlash

United States



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KPMG reports: Georgia (“safe rides fee” subject to sales and use tax); Wisconsin (guidance on taxation of NFTs); multistate (income tax changes approved on election day)

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.

- **Georgia:** The Tax Tribunal held that a ride sharing company was required to collect sales tax on a “safe rides fee or booking fee” that was imposed on certain trips facilitated through the company’s app. The separately stated fee was charged to a rider and paid over to the company directly to recover the costs of improving the safety of the company’s platform. Although the taxpayer argued that the fee was to recover nontaxable services, the Tribunal concluded that the fee was part of the “sales price” upon which Georgia sales and use tax is imposed.
- **Wisconsin:** The state tax authority released guidance on the taxation of non-fungible tokens (NFTs) explaining that the sale or purchase of an NFT may be taxable if the underlying product, good, or service is taxable in the state.
- **Multistate:** Voters in certain states weighed in on election day on certain income tax related ballot measures.
 - **Colorado:** Voters approved (1) a measure that reduces the state’s current 4.55% corporate and individual (personal) income tax rate to 4.40% retroactive to tax years commencing on or after January 1, 2022, and (2) Proposition FF raising additional taxes to support school meal programs by limiting certain individual income tax deductions.
 - **Massachusetts:** Voters approved a constitutional amendment that increases the state’s flat individual income tax rate from 5% to 9% on income above \$1 million—effective for taxable years beginning on or after January 1, 2023.

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