



# TaxNewsFlash

United States



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## KPMG reports: Colorado (notice of tax credits to employees); Georgia (federal tax conformity); New Mexico (tax package vetoed); West Virginia (apportionment changes)

KPMG This Week in State Tax—produced weekly by the KPMG State and Local Tax practice—focuses on recent state and local tax developments.

- **Colorado:** House Bill 23-1006, which was recently signed into law, requires employers to annually notify employees of the availability of certain state and federal credits, in addition to providing the annual withholding tax notice. Specifically, an employer must provide written notice to all employees informing them of the availability of the federal earned income tax credit, the federal child tax credit, the state earned income tax credit, and the state child tax credit.
- **Georgia:** Senate Bill 56, which has been sent to the governor for signature, would conform to the Internal Revenue Code as amended through January 1, 2023. However, IRC section 174 would be treated as it was in effect before the enactment of the “Tax Cuts and Jobs Act” (TCJA). On the sales and use tax side, Senate Bill 56 would impose sales and use tax on the retail purchase of specified digital products, other digital goods, or digital codes sold to an end user in Georgia, provided that the end user receives or will receive the right of permanent use of such products or codes and the transaction is not conditioned on continued payment by the end user.
- **New Mexico:** The governor vetoed almost every provision of House Bill 547, a comprehensive tax package. The governor had publicly expressed concerns with the cost of the bill, which would have reduced the state’s gross receipts tax, adopted numerous new tax credits, and new gross receipts

tax deductions. The bill would have also required most corporations to use single sales factor apportionment.

- **West Virginia:** Recently enacted House Bill 3286 provides a new subtraction for publicly traded companies intended to offset the financial statement effect of recent apportionment law changes. These recent changes include moving to single sales factor apportionment and market-based sourcing and the repeal of the throw-out rule.

Read an [April 2023 report](#) prepared by KPMG LLP

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