



# TaxNewsFlash

United States



No. 2023-141  
April 24, 2023

## KPMG reports: Colorado (effect of CARES Act); Missouri (sales and use tax manufacturing exemption); Virginia (federal conformity)

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:** The Colorado Department of Revenue revised its guidance on the effect of the CARES Act on corporate and individual taxpayers. Following a related appeals court decision issued last year, the Department determined that certain retroactive CARES Act changes must be incorporated into Colorado law and reflected on prior year income tax returns. Thus, taxpayers must amend these returns to reflect the CARES Act provisions. The Department also determined that certain taxpayers must amend their 2021 Colorado income tax returns to adjust the subtraction that was allowed for the difference between the taxpayer's reported taxable income and the amount that Colorado taxable income would have been had the CARES Act applied.
- **Missouri:** The Missouri Supreme Court recently affirmed an administrative hearing commission determination holding that a telecommunications service provider qualified for the sales and use tax manufacturing exemption. In the court's view, the definition of "manufacturing" in effect for the tax periods at issue captured the taxpayer's act of transforming an input into an output with a separate and distinct value from the original.
- **Virginia:** Legislation was signed into law in Virginia providing that for tax years beginning on or after January 1, 2023, the Commonwealth will conform to the Code on a rolling basis, with certain exceptions. Notably, Virginia will not adopt any federal amendments that will increase or decrease general fund revenues by more than certain amounts specified in the law.

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

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)