



TaxNewsFlash

United States



No. 2023-288
August 21, 2023

KPMG reports: Pennsylvania (lookback period for voluntary disclosure agreement program); Tennessee (employment services not subject to sales and use tax)

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

- **Pennsylvania:** The Department of Revenue announced that it has revised the lookback period for corporate income taxpayers participating in the state's voluntary disclosure agreement (VDA) program. The lookback period for corporation taxes was reduced to three years (from five years) plus the current year, which is consistent with the lookback period that applies to other tax types. The change will apply to VDAs entered into on or after August 1, 2023.
- **Tennessee:** The Department of Revenue ruled that a taxpayer's staff augmentation and payment processing services were not subject to sales and use tax because even though customers accessed the taxpayer's services through an app, which could be considered a taxable sale of computer software, the true object of the taxpayer's services was connecting businesses and workers for the purpose of arranging short term employment, which was not a taxable service.

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

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](#)