



TaxNewsFlash

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KPMG reports: New Jersey (guidance on various corporation business tax issues); Wisconsin (transfer of title constituted sale for sales tax purposes)

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

- **New Jersey:** The state tax authority issued several new and revised technical bulletins that reflect recent law changes. New TB-111 addresses the changes to the New Jersey corporation business tax (CBT) rules related to the dividend exclusion, and the historic ordering of the net operating loss (NOL) deduction, dividend exclusion, and international banking facility deduction. New TB-112 explains that on or after January 1, 2023, the gross income tax sourcing rules for receipts from business income are aligned with the CBT sourcing rules. Revised TB- 94(R) provides general information on NOLs, noting when a taxpayer uses NOLs generated in privilege periods beginning after July 31, 2023, these NOLs are subject to an 80% deduction limitation. Finally, revised TB-95(R) addresses NOLs in the context of combined groups.
- **Wisconsin:** A Wisconsin circuit court recently affirmed a tax appeals commission decision holding that indirect materials such as computers and office supplies purchased to fulfill a taxpayer's contracts with the federal government were exempt from sales tax because they were resold to the federal government. The issue before the court centered on whether the taxpayer's transfer of title under its contracts with the government constituted a "sale" under Wisconsin law. The court concluded that the statutory language was unambiguous and a "sale" included the transfer of title to tangible personal property.

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