



TaxNewsFlash

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KPMG reports: California (inclusion of dividends in sales factor); Florida (proposed sales tax holiday); Louisiana (sales tax on online car sharing)

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

- **California:** The Franchise Tax Board petitioned the California Office of Tax Appeals for rehearing of an opinion addressing whether the entire amount of qualifying dividends paid by a qualified foreign subsidiary and received by a California water's-edge group member is reflected in the sales factor or only the amount remaining after applying the 75% dividends received deduction allowed under Cal. Rev. & Tax Cd. § 24411. Although the opinion has not been made publicly available, it resulted in the reversal of the tax board's denial of the taxpayer's \$93 million refund.
- **Florida:** Senate Bill 352—filed ahead of the 2024 legislative session—would adopt a never-seen-before type of sales tax holiday. Specifically, between June 1, 2025, and July 31, 2025, Florida sales tax would not be due on the retail sale of tangible personal property or services if the sale was paid for using virtual currency and the purchase was made at certain enumerated establishments, such as grocery stores and bars.
- **Louisiana:** The Louisiana Department of Revenue ruled in Revenue Ruling 23-001 that as part of its collection of a portion of the amount paid under an online peer-to-peer vehicle sharing program, the taxpayer would be required to collect and remit sales tax and is also responsible for collecting and remitting the separate automobile rental tax that would be due on taxable rentals made through the platform.

Read a [November 2023 report](#) prepared by KPMG LLP

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