



TaxNewsFlash

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KPMG reports: Texas (sales tax on credit card processing fees); Wisconsin (unclaimed property voluntary disclosure); multistate (digital advertising tax updates)

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

- **Texas:** The Comptroller issued a memorandum confirming that retailers passing through credit card processing fees to their customers must include the fees in the sales tax base when associated with the sale of a taxable item.
- **Wisconsin:** Assembly Bill 742 reinstates the “unclaimed property voluntary disclosure program.” The program originally ran from February 1, 2022, through February 28, 2023. Assembly Bill 742 struck the language limiting the program to those specific dates. As such, it is once again effective with no future sunset date.
- **Multistate:** While Maryland is currently the only state that imposes a tax on digital advertising services, other states are currently considering the enactment of similar taxes or fees.
 - **California:** The Senate in June 2024 passed the “Data Extraction Mitigation Fee Law,” which in essence adopts a new tax on receipts from digital advertising services.
 - **District of Columbia:** The Tax Revision Commission has issued a revised list of recommended tax changes that includes adopting a new data excise tax imposed on businesses extracting data from over 150,000 D.C. residents.
 - **Maryland:** A federal district court judge dismissed a case challenging state’s digital advertising tax pass-through prohibition, which prohibits taxed companies from passing on the costs of the tax to their advertising customers.

Read a [July 2024 report](#) prepared by KPMG LLP

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