



TaxNewsFlash

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KPMG reports: Indiana (manufacturing exemption); Massachusetts (apportionment); Virginia (software)

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

- **Indiana:** The state's tax court held that a taxpayer (a scrap steel producer) qualified for manufacturing exemptions and, thus, was entitled to a refund of sales and use taxes remitted on certain equipment purchases.
- **Massachusetts:** The Supreme Judicial Court (the highest court) held that a taxpayer must include certain loans in its Massachusetts property factor, and that the inclusion of these loans under the apportionment regime did not violate the internal consistency test.
- **Virginia:** The Tax Commissioner ruled that a taxpayer providing subscription-based cloud computing services was not required to pay sales or use tax on its purchase or use of software or required to collect tax from its clients because all sales and use of the software occurred over the cloud, and no software was delivered in tangible form (under a longstanding policy that the sale of software delivered electronically or downloaded from the cloud does not constitute the sale of tangible personal property).

Read more at KPMG's [**This Week in State Tax**](#)

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