



TaxNewsFlash

United States

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KPMG reports: Chicago (utilities tax); Colorado (shipping charges); Louisiana (apportionment); Pennsylvania (tax amnesty); Texas (sourcing)

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.

- **Chicago:** The Chicago city council approved a new tax on water and sewer services, with the revenue intended to fund municipal employee pensions.
- **Colorado:** The Department of Revenue issued an information letter concluding that when customers return goods (on which mandatory shipping fees were charged) and the retailer refunds the purchase price of the returned goods—but not the shipping charges—the shipping charges become a separate transaction, and because the shipping is no longer subject to sales tax, the retailer must return to its customers any sales tax paid on the shipping charges.
- **Louisiana:** A state appeals court concluded, in an unpublished decision, that a taxpayer (performing medically prescribed diagnostic testing services at laboratories around the country) was entitled to corporate income tax refunds because, regardless of the apportionment formula used, service receipts are to be sourced to Louisiana if the services were performed in the state under a “location of performance” rule.
- **Pennsylvania:** The Department of Revenue issued guidance on a tax amnesty program to be implemented in 2017.
- **Texas:** The Comptroller issued a private letter ruling concluding that receipts from sales of liquefied natural gas (LNG) are sourced to Texas when the LNG is loaded onto chartered vessels at Texas ports for export.

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

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