



TaxNewsFlash

United States

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KPMG reports: Colorado (taxable fees); Louisiana (add backs); Missouri (taxable services); West Virginia (raffle tickets)

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.

- **Colorado:** A "General Information Letter," issued by the Department of Revenue, concludes a company's "management fee" combined with sales of taxable services was subject to sales tax. The taxpayer provided repair and maintenance services for customers that owned large fleets of motor vehicles. As part of these services, the taxpayer maintained a database with details of all maintenance performed on the customer's vehicles. Customers were charged a "management fee" for access to the database, which was separately stated on client invoices.
- **Louisiana:** A proposed regulation issued by the Department of Revenue implement certain corporate tax changes enacted earlier this year that require a corporation to add back otherwise deductible interest expenses and costs, intangible expenses and costs, and certain management fees incurred with related members. The proposed regulation defines key terms that were not defined in the law—such as "management fees," "intangible expenses," and "indirectly paid." Much of the proposed regulation provides guidance on when the statutory exceptions to the addback requirements will be allowed, and how they must be documented.
- **Missouri:** There is an initiative on the November 8 ballot that will allow voters to determine to whether sales taxes could be expanded to service transactions in the future.
- **West Virginia:** The Office of Tax Appeals ruled that sales of raffle tickets were sales of intangible property not subject to sales tax.

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

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