



TaxNewsFlash

United States

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KPMG reports: California (sales tax rate); Chicago (bag tax); Ohio (nexus); Tennessee (excise tax)

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.

- **California:** Beginning January 1, 2017, California's statewide sales and use tax rate will be reduced from 7.50% to 7.25%.
- **Chicago:** The city council approved a "bag tax" at \$0.07 per bag, and effective January 1, 2017, to be imposed on the retail sale or use of paper and plastic checkout bags.
- **Ohio:** The state high court upheld the constitutionality of the factor-presence nexus standard that applies for purposes of the commercial activity tax (CAT)
- **Tennessee:** The Department of Revenue issued an annual report summarizing several tax topics addressed during informal conferences held during fiscal year 2016. Of the 346 informal conferences held during fiscal year 2016, there were 61 franchise and excise tax issues addressed, and 85 concerned sales and use tax.

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

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