

This Week in State Tax (TWIST)

October 14, 2024



Multistate: Tax Issues on November Ballot in Several States

On November 5, voters will be tasked with deciding on a number of ballot measures related to state and local taxation with significant implications for business taxpayers. They include measures to establish new taxes, adopt rate increases, and make other changes.

- Colorado [Proposition KK](#) would impose a 6.5 percent excise tax on firearm and ammunition sales by manufacturers, dealers, retailers, and vendors effective April 1, 2025. Businesses with annual sales under \$20,000 would not be subject to the tax, and sales to peace officers, law enforcement, and active-duty military would be exempt.
- Georgia [Amendment 2](#) would create the Georgia Tax Court, which would have statewide jurisdiction, concurrent with the state business court and superior courts. Currently, Georgia has a Tax Tribunal, which is not part of the state judiciary and has limited jurisdiction pertaining only to tax matters that involve the state Department of Revenue.
- Nevada [Question 5](#) would create a sales and use tax exemption for child and adult diapers, effective January 1, 2025. Exemptions to the state sales and use tax require approval of the voters.
- North Dakota [Initiated Measure 4](#) would prohibit the state and its political subdivisions from imposing any tax based on the assessed value of real and personal property, except as needed for the payment of bonded indebtedness; it also imposes limitations on the level of debt that may be incurred for various purposes. Finally, the measure requires the state to provide replacement revenues to local governments in an amount not less than the amount of tax imposed on real property for other than bonded indebtedness in the year the amendment is passed.
- Oregon [Measure 118](#) is an initiated law that would impose a minimum tax on corporations with Oregon sales exceeding \$25 million applicable to tax years beginning on or January 1, 2025. The tax would be equal to the current minimum tax for the applicable bracket, plus three percent of the excess over \$25 million. Proceeds from the increased tax would be used to provide annual rebates to Oregon residents. For further detail, see our [August 5 TWIST](#).
- In San Francisco, [Proposition L](#) would create a new gross receipts tax on “ride-hail business activities,” which includes transportation network company services and autonomous vehicle businesses. [Proposition M](#) would amend several different gross receipts-based taxes, including the general business tax, homelessness tax, overpaid executive tax, and administrative office tax as well as the business registration fee. For more details on Propositions L and M, see our [September 16 TWIST](#).

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- South Dakota [Initiated Measure 28](#) would create a state sales and use tax exemption for “anything sold for human consumption,” except alcoholic beverages and prepared food (food sold heated or with utensils). The exemption would not be applicable to municipalities. The term “human consumption” is not currently defined in state law; judicial and legislative clarification would be expected.
- Washington [Initiative 2109](#) would repeal the capital gains tax that was passed by the state legislature in 2021 and was first due on April 18, 2023. Currently, an individual's Washington capital gains above \$250,000 are taxed at a rate of 7 percent. Recall, the Washington Supreme Court in 2023 ruled the capital gains tax constituted an excise tax and did not violate the constitutional prohibition on income taxes.
- Wyoming [Constitutional Amendment A](#) would add residential real property as a fourth, separate class of property and authorize the legislature to create a subclass for owner-occupied primary residences, potentially assessed at a different rate than that generally applied to other residential property.

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