



# TaxNewsFlash

United States

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## KPMG reports: California (dividends fully included in sales factor); Minnesota (retail delivery fee); Oklahoma (food sales tax); South Carolina (combined reporting)

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

- **California:** The Office of Tax Appeals denied the Franchise Tax Board's petition for rehearing a dispute addressing what portion of a qualifying dividend paid by a qualified foreign subsidiary and received by a California water's-edge group member was reflected in the sales factor. The Office of Tax Appeals previously concluded in an unpublished opinion that the entire amount of qualifying dividends were includable in the sales factor.
- **Minnesota:** The Department of Revenue issued guidance on its website addressing the retail delivery fee that applies beginning on July 1, 2024. The guidance also addresses how to register for the fee and report the fee.
- **Oklahoma:** Signed House Bill 1955 eliminates Oklahoma's 4.5% state tax imposed on the retail sale of food and food ingredients. While House Bill 1955 does not affect any sales or excise tax levied on food and food ingredients by a local government, it does prohibit any sales or excise tax increase voted on prior to June 30, 2025, from applying to food and food ingredients.
- **South Carolina:** House Bill 298, which sets forth standards for when corporate taxpayers can be required to file a unitary combined return, has passed both houses of the South Carolina legislature and will soon be presented to the governor for action.

Read a [March 2024 report](#) prepared by KPMG LLP

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