



TaxNewsFlash

United States

No. 2024-126
April 1, 2024

KPMG reports: Arkansas (sales tax on temporarily used vehicles); Idaho (unclaimed property law changes); multistate (tax rate changes)

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

- **Arkansas:** The state Supreme Court concluded that two vehicle dealers owed sales tax on vehicles that were temporarily used by employees and relatives of the owner and general manager before ultimately being sold to customers. The issue before the court on appeal was whether the use by these individuals constituted withdrawals from stock, which necessitated the payment of Arkansas sales tax. The court rejected the dealers' argument that no sale had occurred that would cause sales tax to apply, finding the plain language of the statute required sales tax to be paid on the use of the vehicles.
- **Idaho:** The governor on March 11, 2024, signed House Bill 471 into law. The bill repeals the existing unclaimed property statute and replaces it with a customized version of the 2016 Revised Unclaimed Property Act. The new law takes effect July 1, 2024, and makes many changes to the current law, including but not limited to, adding provisions extending the law's coverage to virtual currency and providing that the death of an owner triggers the running of dormancy periods.
- **Multistate:** Over the last couple of years, states have been in an unprecedented period of revenue growth coming out of the pandemic. This has resulted in a number of recent corporate and individual income tax rate reductions, although there have been tax rate increases in some states.
 - **Georgia:** Legislation (House Bill 1023) has been sent or will soon be sent to the governor for signature that would match the corporate income tax rate to the individual income tax rate in effect for the corresponding tax year.
 - **Georgia:** Another bill that has passed both houses would accelerate already enacted individual income tax cuts (assuming revenue targets are met) and would drop the individual income tax rate to 5.39% effective for 2024.

- **Idaho:** House Bill 521, which reduces the corporate income tax rate from 5.8% to 5.695% effective January 1, 2024, was signed into law on March 29, 2024.
- **Missouri:** The House has passed legislation (House Bill 2274) to phase out the current 4% corporate income tax by 1% each year beginning in 2025.
- **New Jersey and New York:** The governor of New Jersey proposed a 2.5% corporate transit surcharge, and the Senate and Assembly in New York also proposed a corporate tax increase.
- **Utah:** The corporate income tax rate was reduced from 4.65% to 4.55%.
- **Vermont:** House Bill 721 would increase the current 8.5% rate to 10% on income over \$25,000 beginning in 2025 and would also eliminate deductions for “global intangible low-taxed income” (GILTI) and “foreign-derived intangible income” (FDII). This bill has passed the House and is pending in the Senate.

Read an [April 2024 report](#) prepared by KPMG LLP

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