



# TaxNewsFlash

United States

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## **KPMG reports: Colorado (local sales tax dispute settled); Illinois (updated investment partnership regulations); Oregon (potential corporate minimum tax increase); South Carolina (bank tax)**

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

- **Colorado:** A Massachusetts-based internet retailer settled a local sales tax dispute with the City of Lakewood, Colorado, challenging the city's sales tax assessment for periods in 2018 to 2021. The case addressed the Commerce Clause limits of home rule jurisdictions to impose sales tax collection requirements on out-of-state retailers.
- **Illinois:** The Department of Revenue adopted changes to its investment partnership classification regulation and adopted a new regulation with guidance on investment partnership nonresident withholding. The changes relate to statutory amendments effective for tax years ending on or after December 31, 2023. The regulations provide guidance on the interaction of the Illinois investment partnership nonresident withholding requirement and the elective Illinois pass-through entity tax (IL PTET).
- **Oregon:** The Secretary of State has certified that Initiative Petition 17 to increase the minimum tax on corporations has received sufficient signatures to be placed the November 2024 ballot. If approved by voters, Initiative Petition 17 would impose a minimum tax on corporations with Oregon sales exceeding \$25 million.
- **South Carolina:** The Court of Appeals affirmed that the state bank tax does not permit certain deductions allowed by the federal income tax, specifically the federal net operating loss carryforward. Separately, the Administrative Law Court (ALC) found that mortgages should be classified as intangible property because they are “evidence of debt” and statutorily excluded from the definition of tangible personal property.

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

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