



TaxNewsFlash

United States

No. 2024-356
September 16, 2024

KPMG reports: California (potential gross receipts tax changes in San Francisco); California (credit for taxes paid to another state); Washington State (digital ad exchange subject to B&O 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.

- **California:** A pair of tax measures—Proposition L, creating a new gross receipts tax on transportation network companies and autonomous vehicle businesses, and Proposition M, amending the city's menagerie of other business gross receipts taxes—have qualified for the November ballot in San Francisco.
- **California:** The Office of Tax Appeals ruled that a taxpayer was not eligible for a credit for taxes paid under the New York City Unincorporated Business Tax (NYC UBT) because the tax was a local tax imposed by New York City rather than a tax imposed by a state, but was eligible for the New York Metropolitan Commuter Transportation Mobility Tax (NY MCTMT), although the credit was ultimately denied due to insufficient information to calculate the New York-source income under California rules.
- **Washington State:** The Department of Revenue Administrative Review and Hearings Division ruled that a taxpayer operating a digital advertising exchange must pay the state business and occupation (B&O) tax on the entirety of its gross income from advertisers, not just the commissions retained, as the taxpayer's business of providing advertising services does not qualify as a marketplace facilitator, which only applies to retail sales.

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

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