



TaxNewsFlash

United States

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KPMG reports: California (manufacturing equipment tax credit vetoed); Massachusetts (tax amnesty); Oregon (sales factor treatment of repatriation income); Washington State (taxable digital automated services)

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 governor vetoed Assembly Bill 52 that would have provided a state income tax credit to offset that portion of the sales and use tax imposed on the purchase of manufacturing machinery and equipment, as well as certain research and development purchases, that is not currently exempted.
- **Massachusetts:** The Massachusetts Department of Revenue released additional information regarding administration of the recently authorized tax amnesty program that provides eligible taxpayers with a waiver of all penalties associated with most returns and payments due prior to December 31, 2024.
- **Oregon:** The Oregon Tax Court held that the taxpayer was entitled to include the amount of its repatriation income subject to tax under Internal Revenue Code section 965 and included in its Oregon taxable income (which was 20% after application of Oregon's 80% "dividends-received" subtraction) in its Oregon sales factor denominator.
- **Washington State:** The Washington Department of Revenue ruled that a taxpayer's electronic signature and document workflow services were digital automated services subject to the Washington retail sales tax and retailing business and occupation (B&O) tax.

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

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