



TaxNewsFlash

United States

No. 2024-396
October 7, 2024

KPMG reports: California (sales tax agreement reports); Nevada (voluntary disclosure agreement program); New York (sales tax on electronic currency trading, web-based document processing)

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 signed into law legislation that requires localities that have entered into agreements to rebate a portion of local sales and use tax revenues to a retailer to annually file certain information about the agreements with the Department of Tax and Fee Administration. The information required to be reported under the new law includes the names of parties, the amount of rebated revenues received by each party for the current and preceding fiscal year, and the percentage of the tax used to determine the rebates received. The first report is due April 30, 2025.
- **Nevada:** The Tax Commission adopted revised regulations governing the state's voluntary disclosure agreement (VDA) program for non-filers. The revised regulation broadens the applicability of the program to include the modified business tax, the tax imposed on gold and silver mining businesses, taxes imposed on transportation network companies and passenger carriers, and taxes imposed on peer-to-peer car sharing programs. In addition, the revisions transfer administration of the VDA program fully to the Department of Taxation.
- **New York:** The State Department of Taxation and Finance released an advisory opinion regarding whether a taxpayer's receipts from operating an online platform used for trading currencies on foreign exchange markets was subject to sales and use tax. The tax authority determined that the taxpayer's license fees, transaction charges, and other charges constituted the sale of prewritten software because the charges represented rights to use the software. The secure ID tokens represented tangible personal property which were also subject to tax. The taxpayer's support charges for customer support and training were exempt from sales tax if reasonable and separately stated. Finally, the taxpayer's charges for providing monthly user reports were considered an information service and were exempt from sales tax if the information was personal or individual in nature and not substantially incorporated in reports furnished to others.

- **New York:** The State Department of Taxation and Finance issued an advisory opinion stating that a taxpayer's subscription charges for an online portal used in residential real property transactions are taxable as sales of prewritten software. Optional services such as form creation, custom programming, data entry, and training are exempt from sales tax if they are performed at the request of a specific customer, used solely by that customer, and the charges are separately stated and reasonable.

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

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)