



TaxNewsFlash

United States

No. 2024-404
October 15, 2024

KPMG reports: South Dakota (use tax on construction equipment); Virginia (disregarded entity not subject to BPOL tax); multistate (tax-related ballot measures, manufacturing sales and use tax exemption rulings)

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

- **South Dakota:** The U.S. Supreme Court declined to review the decision of the state supreme court in *Ellingson Drainage* upholding the imposition of use tax on construction equipment brought into South Dakota from Minnesota for use in various projects, and on which no tax had been paid at the time of purchase in Minnesota.
- **Virginia:** The state tax authority ruled that a disregarded LLC owned by a Virginia-based entity was not subject to the business, professional, and occupational license (BPOL) tax because it performed manufacturing and export activities entirely outside Virginia and did not have a definite place of business in Virginia. The fact that the owner's employees were performing services for the LLC from its Virginia headquarters was not material to the determination of whether the LLC had a definite place of business in Virginia.
- **Multistate:** A number of ballot measures related to state and local taxation will be up for vote on November 5, 2024. These include measures to establish new taxes, adopt rate increases, and make other changes.
- **Multistate:** Indiana and Missouri issued letter rulings determining whether taxpayers qualified for their respective manufacturing exemptions.

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