КРМС

This Week in State Tax (TWIST)

16th January, 2024



To listen to the podcast please click here

Pennsylvania: Guidance Issued on Sourcing "Other" Sales

In a recently issued bulletin, the Pennsylvania Department of Revenue addresses the sourcing rules that first apply for tax years beginning on or after December 31, 2022. Under prior law, specific sourcing rules applied to receipts from sales of services and receipts from sales of tangible personal property. All other receipts were sourced under the statutory income producing activity test. In 2022, legislation (House Bill 1342) was enacted that adopted comprehensive customer-based sourcing rules for a number of "other" types of receipts, including gross receipts from the lease or license of intangible property; gross receipts from sales of intangibles; gross receipts from the sale, redemption, maturity or exchange of securities held by a taxpayer primarily for sale to customers; gross receipts related to certain types of lending activities involving real property and tangible personal property; gross receipts received from interest, fees and penalties from credit card holders; and gross receipts received from interest not otherwise addressed in the revised law. Gross receipts received from intangible property not specifically addressed by statute are excluded from the numerator and the denominator of the sales factor. The eight-page bulletin defines key terms used in the statute and provides guidance and examples for each category of receipts enumerated in the statute. Please contact Mark Achord with questions on Corporation Tax Bulletin 2024-01.

Learn about us: in kpmg.com

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS011027-1B The following information 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.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.