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Income/Franchise:

Idaho: New Law Clarifies Application of Recently Enacted Corporate Income Tax Rate Reduction

H.B. 479, signed by gov. 4/4/25. New law amends recently enacted Idaho legislation [see *H.B. 40*, signed by gov. 3/6/25, and *State Tax Matters*, Issue 2025-10, for more details on this new law] by clarifying that Idaho's corporate income tax rate is lowered from 5.695% to 5.3% and is applicable retroactively to tax years that begin on or after January 1, 2025. The newly enacted Idaho corporate income tax rate reduction follows earlier corporate income tax rate reductions that were enacted in 2024 and 2023 [see *H.B. 521* (2024) and *State Tax Matters*, Issue 2024-14; and *H.B. 172* (2023) and *State Tax Matters*, Issue 2023-13, for more details on the 2024 and 2023 legislation]. Please contact us with any questions.

URL: <https://legislature.idaho.gov/sessioninfo/2025/legislation/H0479/>

URL: <https://legislature.idaho.gov/sessioninfo/2025/legislation/H0040/>

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250314_1.html

URL: <https://legislature.idaho.gov/sessioninfo/2024/legislation/H0521/>

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240405_1.html

URL: <https://legislature.idaho.gov/sessioninfo/2023/legislation/H0172/>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230331_1.html

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Income/Franchise:

Massachusetts Appeals Court Affirms that Individual's Stock Sale in Company is Taxable Despite Subsequent Nonresidence

Case No. 2024-P-0109, Mass. App. Ct. (4/3/25). In a case involving whether a former employee/shareholder of a Massachusetts-headquartered company who was a former Massachusetts resident owed Massachusetts individual income tax as a nonresident on gains from the sale of his stock in the company, the Massachusetts Appeals Court (Court) affirmed a Massachusetts Appellate Tax Board (Board) ruling, which determined that his gain was still "derived from" and "effectively connected with" in-state trade or business or employment and thus taxable as Massachusetts source income under state law for the 2015 tax period at issue. Specifically, the Court considered whether the gain from such sale was Massachusetts source income subject to tax under Mass. Gen. Laws c. 62, § 5A, and 830 Code Mass. Regs. § 62.5A.1(3)(c)(8) (2006), and agreed that under the provided facts, the gain was derived from or effectively connected with the individual's trade or business or employment at the Massachusetts company even though at the time of the sale, he no longer was actively engaged in a trade or business or employment in Massachusetts. In doing so, the Court cited a 2022 Massachusetts Supreme Judicial Court case [see previously issued Multistate Tax Alert for details on this 2022

decision] and explained that the Court defers to the Board’s expertise with respect to interpreting Massachusetts’ tax laws, and that the statute at issue permits a tax on a nonresident who did business in Massachusetts regardless of whether the business was conducted in that particular year. Under the facts, the individual acquired the company stock at issue in 2005 (soon after founding the company) and continued to work for the company in Massachusetts where he also resided for the next decade. He was no longer a Massachusetts resident when he sold the company stock in 2015. Please contact us with any questions.

[URL: https://www.mass.gov/files/documents/2025/04/03/l24P0109.pdf](https://www.mass.gov/files/documents/2025/04/03/l24P0109.pdf)

[URL: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-massachusetts-supreme-court-denies-motion-for-reconsideration-in-apportionment-case.pdf](https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-massachusetts-supreme-court-denies-motion-for-reconsideration-in-apportionment-case.pdf)

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Sales/Use/Indirect:

Washington DOR Posts Multiple Points of Use Exemption Guidance on Mixed Element Software Maintenance Agreements

Interpretative Statement: Excise Tax Advisory No. 3242.2025, Wash. Dept. of Rev. (3/27/25); *Excise Tax Advisory No. 3242.2025*, Wash. Dept. of Rev. (3/27/25). The Washington Department of Revenue posted an excise tax advisory (ETA) that seeks to provide guidance on the application of Washington’s multiple points of use (MPU) sales tax exemption to sales of software maintenance agreements with mixed elements (“MESMAs”), specifically involving sales of distinct and identifiable products for one nonitemized price (*i.e.*, a bundled transaction). The guidance explains that a MESMA that qualifies as a bundled transaction and is otherwise subject to Washington retail sales tax is eligible for the MPU exemption if it meets the following criteria:

[URL: https://dor.wa.gov/sites/default/files/2025-03/ETA3242.2025issuance.pdf](https://dor.wa.gov/sites/default/files/2025-03/ETA3242.2025issuance.pdf)

[URL: https://taxpedia.dor.wa.gov/documents/current%20eta/3242.2025.pdf](https://taxpedia.dor.wa.gov/documents/current%20eta/3242.2025.pdf)

1. The MESMA includes one or more MPU-eligible products (*e.g.*, prewritten computer software or prewritten software upgrades), and each MPU-eligible product is concurrently available for use inside and outside of Washington;
2. The non-retail taxable products provided under the MESMA relate to the MPU-eligible product(s) of the MESMA (*e.g.*, customer help desk support for the prewritten computer software); and

3. The MESMA does not contain any retail-taxable product other than the MPU eligible product(s) that are concurrently available for use inside and outside of Washington.

The guidance also explains that the non-retail taxable products in a MESMA are considered to “relate” to an MPU-eligible product only if the non-retail-taxable products provide support, maintenance, or improvements to the MPU-eligible product(s). Illustrative examples are included in the ETA, as well as underlying documentation requirements. Please contact us with any questions.

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Unclaimed Property:

Delaware: Invitations for 2025 Unclaimed Property VDA Program May be Coming Soon

VDA Invitation Dates: 2025 SOS VDA Invitations Mailing Dates, Del. Sec. of State (4/25). The Delaware Secretary of State recently announced that invitations to enroll in its unclaimed property voluntary disclosure agreement (“VDA”) program will be mailed to companies on or around April 11, 2025. Companies receiving these notices have 90 days to enroll in the program before being referred to the Delaware Department of Finance for an unclaimed property audit that may yield a more unfavorable result.

[URL: https://vda.delaware.gov/vda-invitation-dates/](https://vda.delaware.gov/vda-invitation-dates/)

See recently issued Multistate Tax Alert for more details on this announcement, as well as some related taxpayer considerations, and please contact us with any questions.

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Unclaimed Property:

Michigan Supreme Court Holds in Companies’ Favor that Treasurer’s Examination Did Not Toll Statute of Limitations

Docket Nos. 165391 and 165392, Mich. (3/24/25). Holding in two companies’ favor in a consolidated case brought forth under Michigan’s Uniform Unclaimed Property Act (UUPA) provisions, the Michigan Supreme

Court (Court) held that an unclaimed property examination conducted by the Michigan State Treasurer constituted an “action or proceeding” under applicable state law, and the initiation of such an examination did *not* toll the statute of limitations period for underlying UUPA enforcement. Accordingly, the Court held that the statute of limitations period for the companies’ UUPA annual duty to report and remit property continues to run during such an examination. Please contact us with any questions.

URL: https://www.courts.michigan.gov/495c3c/siteassets/case-documents/uploads/opinions/final/sct/165391_104_01.pdf

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Unclaimed Property:

Washington: New Law Addresses Required Liquidation of Abandoned Virtual Currency

S.B. 5316, signed by gov. 4/8/25. Recently signed legislation enacts some changes to Washington’s unclaimed property law provisions, including i) clarifying that the term virtual currency incorporates cryptocurrency; and ii) providing that a holder of unclaimed virtual currency must liquidate the virtual currency and remit the proceeds to the administrator within 30 days before filing the required report. Under this new law, “the owner will not have recourse against the holder or the administrator to recover any gain in value after the virtual currency’s liquidation.” Please contact us with any questions.

URL: <https://app.leg.wa.gov/billsummary/?BillNumber=5316&Year=2025&Initiative=false>

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Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

No new alerts were issued this period. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.

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