



In this issue:

Administrative: Oregon: New Law Establishes Uniform Statute of Limitations Periods  
for Refunds and Adjustments on Most Taxes ..... 2

Income/Franchise: Illinois DOR Denies Alternative Apportionment Request as Taxpayer  
Failed to Show Unfair Representation of In-State Activity ..... 3

Income/Franchise: Louisiana: New Law Modifies Filing Methodology for S Corps and  
Certain Mobile Workforce Provisions ..... 3

Income/Franchise: Maine: New Law Addresses Late Filing and Payment Logistics When  
Legislature Hasn’t Yet Addressed State Response to Federal Tax Law Changes ..... 4

Credits/Incentives: Texas: New Law Replaces Existing R&D Credit and Exemption with  
New R&D Franchise Tax Credit..... 5

Sales/Use/Indirect: Illinois: Another General Information Letter Says Tariffs are Not  
Deductible in Computing Retailers’ Occupation Tax Liability ..... 6

Sales/Use/Indirect: Illinois: General Information Letter Concludes that Company Providing  
Online Ad Services is Not a Marketplace Facilitator ..... 6

Sales/Use/Indirect: Louisiana: New Law Includes Sales of Digital Products in Measure of  
Economic Nexus Threshold ..... 7

Sales/Use/Indirect: Maine: New Law Taxes Defined Digital Audiovisual and Digital Audio Services..... 8

Sales/Use/Indirect: New Mexico Court of Appeals Reverses 2023 Ruling to Hold that  
Out-of-State Staffing Company is Exempt from Gross Receipts Taxation ..... 8

Sales/Use/Indirect: Texas: New Law Formally Excludes Internet Access Services from Taxation..... 9

Sales/Use/Indirect: Texas: Services Offered to Satisfy Federal Prescription Drug Data  
Collection Reporting Obligations are Taxable Data Processing ..... 10

Sales/Use/Indirect: Utah: ALJ Concludes that Online Streaming Platform’s Subscription  
Fees are Fully Taxable as Bundled Transactions ..... 10

Multistate Tax Alerts ..... 11

**Administrative:**

**Oregon: New Law Establishes Uniform Statute of Limitations Periods for Refunds and Adjustments on Most Taxes**

*S.B. 799*, signed by gov. 6/20/25. Effective on the 91st day after the date on which the 2025 regular session of the 83rd Legislative Assembly adjourns sine die, and applicable for tax years beginning or after January 1, 2022 for Oregon corporate activity tax purposes, and for tax years beginning on or after January 1, 2025 for all other eligible Oregon taxes, new law seeks to establish uniform statute of limitations periods and deadlines for Oregon taxpayers to request a refund and, correspondingly, for the Oregon Department of Revenue to adjust taxes due for those Oregon state and local taxes that it administers. According to accompanying bill notes, prior to this law change, the applicable deadline for Oregon personal and corporate income taxes generally started from the later of the due date (for payment or filing a return) or the actual date of receipt, while the applicable deadline for all other Oregon taxes started from the actual date of receipt. Please contact us with any questions.

**URL:** <https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/SB799>  
**URL:** <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/CommitteeMeetingDocument/307116>

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## Income/Franchise:

### Illinois DOR Denies Alternative Apportionment Request as Taxpayer Failed to Show Unfair Representation of In-State Activity

*General Information Letter IT 25-0003-GIL*, Ill. Dept. of Rev. (3/26/25). Responding to a taxpayer petitioning for use of alternative apportionment, the Illinois Department of Revenue (Department) denied its request, holding among other reasons, that the taxpayer failed to show that the standard statutory apportionment formula does not fairly represent the extent of its in-state business activities. In doing so, the Department explained that merely stating that separate accounting for the taxpayer's Illinois income more accurately reflected its Illinois market activity does not meet the regulatory requirement for alternative apportionment. While not making an actual determination on the issue, the Department also commented that if the separate properties described in the taxpayer's petition do in fact constitute separate rather than unitary businesses, then it would not be necessary to file an alternative apportionment petition because the business income of each such trade or business would be apportioned separately under Illinois law. Please contact us with any questions.

**URL:**  
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/it/documents/2025/it25-0003-gil.pdf>

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## Income/Franchise:

### Louisiana: New Law Modifies Filing Methodology for S Corps and Certain Mobile Workforce Provisions

*H.B. 567*, signed by gov. 6/20/25. Among other tax-related updates, recently enacted Louisiana legislation modifies the filing methodology for S corporations to treat them as pass-through entities under state law, similar to how they are treated under federal law. The legislation also adjusts Louisiana law that exempts nonresident employees from a Louisiana income tax liability if they perform employment duties in Louisiana for 25 or fewer days during the calendar year (and correspondingly exempts their employers from a state income tax withholding requirement for such employees), by increasing the "safe harbor" threshold from 25 days to 30 days. These changes are effective for tax periods beginning on or after January 1, 2026.

**URL:** <https://legis.la.gov/legis/BillInfo.aspx?s=25RS&b=HB567&sbi=y>

See recently issued Multistate Tax Alert for more details on this legislation, and please contact us with any questions.

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## Income/Franchise:

### Maine: New Law Addresses Late Filing and Payment Logistics When Legislature Hasn't Yet Addressed State Response to Federal Tax Law Changes

*L.D. 221 (H.P. 144)*, signed by gov. 6/17/25. Seeking to address situations when the Maine Legislature has not yet had the opportunity before Maine Revenue Services begins processing Maine income tax returns to conform or adjust Maine tax laws in response to any relevant federal income tax law changes, new law in Maine requires the Commissioner of the Maine Department of Administrative and Financial Services (DAFS) to:  
**URL:** <https://www.mainelegislature.org/LawMakerWeb/summary.asp?ID=280095872>

1. Approve underlying extensions of time for tax payment or filing in some instances; and
2. Report in writing to the Maine Governor, copying certain Maine legislative leaders, a description of the relevant federal tax law changes and their potential effect on Maine income tax laws and the state budget.

After receiving such report, the bill permits the Maine Governor to direct the Maine State Tax Assessor to temporarily adjust its administration of the Maine income tax returns based on some or all of such federal income tax law changes. In turn, the Maine State Tax Assessor may provide taxpayers with the option of i) waiting to file their Maine tax returns until the Maine Legislature has enacted legislation to address the federal income tax law changes by filing for an extension, or ii) filing their Maine returns consistent with the issued tax returns, forms, instructions and other guidance. In the later instance, if, as a result of subsequent changes enacted into law by the Maine Legislature, there is an underpayment by or incorrect refund to a Maine taxpayer, the bill provides that underlying penalties and interest accruing before the date of enactment may not be imposed. Please contact us with any questions.

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## Credits/Incentives:

### Texas: New Law Replaces Existing R&D Credit and Exemption with New R&D Franchise Tax Credit

S.B. 2206, signed by gov. 6/22/25. Effective as January 1, 2026, recently enacted legislation significantly changes Texas' research and development (R&D) tax credit and exemption by repealing the current option of claiming either a i) Texas R&D franchise tax credit, or ii) sales and use tax exemption related to the purchase, lease, rental, storage, or use of depreciable tangible personal property in R&D activities, and replacing it with an entirely new Texas R&D franchise tax credit. The newer Texas R&D franchise tax credit includes an increased rate on the excess qualified research expenses ("QREs") incurred in the current year over the base amount, and the legislation generally defines QREs as the qualified related expenses reported on line 48 of Federal Form 6765 and performed in Texas.

**URL:** <https://capitol.texas.gov/BillLookup/actions.aspx?LegSess=89R&Bill=SB2206>

See recently issued Multistate Tax Alert for more details on Texas' new R&D credit, and please contact us with any questions.

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## **Sales/Use/Indirect:**

### **Illinois: Another General Information Letter Says Tariffs are Not Deductible in Computing Retailers' Occupation Tax Liability**

*General Information Letter ST 25-0033-GIL*, Ill. Dept. of Rev. (6/17/25). Another Illinois Department of Revenue (Department) general information letter explains that federal importation taxes (*i.e.*, tariffs) generally are not deductible from the gross receipts of persons who sell such tangible personal property at retail in computing Illinois retailers' occupation tax (ROT) liability [see *General Information Letter ST 25-0022-GIL*, Ill. Dept. of Rev. (4/7/25) for details on an earlier letter explaining the same]. In doing so, the letter provides some background and explains that tariffs are imposed by the US government on certain products imported from foreign countries, and that the identity of the person legally responsible for paying the tariff under federal law is the critical factor in determining whether Illinois sales or use tax applies to the tariff amount.

**URL:**

<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/letterrulings/st/documents/2025/st25-0033-gil.pdf>

**URL:**

<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/letterrulings/st/documents/2025/st25-0022-gil.pdf>

The letter notes that the “consignee” is the importer of record of the imported tangible personal property and is the person legally responsible for payment of the tariff. In this respect, if a seller is the consignee (importer) and passes the amount of the tariff on to the customer, it is considered a part of the selling price, and the amount of the tariff must be included in the gross receipts. In these cases, tariffs are considered costs of doing business to the importer and are not deductible in computing ROT liability on the subsequent retail sale – even if separately stated on the bill to the customer. However, the letter explains that if the customer as the end-user is the consignee (*i.e.*, the importer), the tariff is not part of the selling price for purposes of computing the customer's Illinois use tax liability. Please contact us with any questions.

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## **Sales/Use/Indirect:**

### **Illinois: General Information Letter Concludes that Company Providing Online Ad Services is Not a Marketplace Facilitator**

*General Information Letter ST 25-0027-GIL*, Ill. Dept. of Rev. (4/28/25). Responding to an inquiry submitted by a company owning and operating online-accessible technology platforms via websites and downloadable applications (“apps”) that offers its business clients (“advertisers”) several online advertising services for their

various products, an Illinois Department of Revenue (Department) general information letter generally concludes that the company is *not* considered a “marketplace facilitator” under Illinois’ sales and use tax law in offering these services. In doing so, the Department explains that if a customer is redirected from an advertiser’s platform to a retailer’s website where payment occurs without any further participation by the advertiser, such advertiser is not acting as a marketplace facilitator. Moreover, in situations where a platform provides advertising only and all payments for tangible personal property are made either directly to the retailer or to a third-party with whom the retailer has contracted, the advertising platform is not acting as a marketplace facilitator. The Department also clarifies that under Illinois law, “marketplace facilitators” must either directly collect payment from customers and transfer payment to sellers or indirectly, through agreements the marketplace facilitator has made with third parties, collect payment from customers and transmit payment to sellers. Please contact us with any questions.

**URL:**

<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2025/st25-0027-gil.pdf>

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## Sales/Use/Indirect:

### Louisiana: New Law Includes Sales of Digital Products in Measure of Economic Nexus Threshold

*H.B. 578*, signed by gov. 6/20/25. Among several other sales and use tax-related changes, recently signed Louisiana legislation provides that for purposes of determining whether out-of-state remote sellers or marketplace facilitators meet Louisiana’s economic nexus threshold (*i.e.*, during the previous or current calendar year, those with and/or facilitating gross revenue for sales delivered into Louisiana exceeding \$100,000), the measure of sales includes not only sales of tangible personal property, products transferred electronically, and services but also includes sales of digital products. Additionally, the legislation retroactively adjusts and revises various state and local sales and use tax exemption provisions in response to “Act 11,” which was enacted during December 2024. Please contact us with any questions.

**URL:** <https://www.legis.la.gov/Legis/BillInfo.aspx?i=248624>

**URL:** <https://legis.la.gov/legis/BillInfo.aspx?s=243ES&b=HB10&sbi=y>

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## **Sales/Use/Indirect:**

### **Maine: New Law Taxes Defined Digital Audiovisual and Digital Audio Services**

*LD 210 (HP 132)*, signed by gov. 6/20/25; *News Release: Governor Mills Signs Budget Bill Into Law*, Me. Off. of the Gov. (6/23/25). Applicable to sales of tangible personal property and taxable services on or after January 1, 2026, new law redefines “taxable services” for Maine sales and use tax purposes to include digital audiovisual and digital audio services. The legislation defines “digital audiovisual and digital audio services” as the “electronic transfer of digital audiovisual works and digital audio works to an end user with the right of less than permanent use granted by the seller, including when conditioned upon continued payment from the purchaser or a subscription,” as well as provides other definitions for various underlying terms. Please contact us with any questions.

**URL:** <https://www.mainelegislature.org/LawMakerWeb/dockets.asp?ID=280095830>

**URL:** <https://www.maine.gov/governor/mills/news/governor-mills-signs-budget-bill-law-2025-06-23>

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## **Sales/Use/Indirect:**

### **New Mexico Court of Appeals Reverses 2023 Ruling to Hold that Out-of-State Staffing Company is Exempt from Gross Receipts Taxation**

*Case No. A-1-CA-41090*, N.M. Ct. of App. (5/30/25). The New Mexico Court of Appeals (Court) reversed a 2023 ruling issued by the New Mexico Administrative Hearings Office (AHO) [see *Case No. 19.03-027A*, D&O 23 – 09, N.M. Administrative Hearings Office (4/7/23), and *State Tax Matters*, Issue 2023-17, for more details on this 2023 ruling] to hold that an out-of-state company providing medical professional staffing services to medical facilities located nationwide, including in New Mexico, successfully showed that it performed all of its recruitment services outside New Mexico and thus was exempt from New Mexico gross receipts taxation (GRT)



for the prior periods at issue (*i.e.*, for the audit period from January 31, 2010 through May 31, 2017). In doing so, the Court noted that the actual medical services provided in New Mexico were provided only by the underlying medical professionals, rather than by the staffing company, and these in-state medical services “cannot be imputed” to the staffing company. The Court also explained that, under the provided facts, the staffing company’s service activities were performed electronically from offices located outside New Mexico, and the record failed to show that the staffing company performed its primary services, for which it was contracted, in New Mexico. According to the Court, the staffing company’s recruiting and placement services were initially used by the buyers, the healthcare operators, when a qualified medical professional arrived at the New Mexico facility to perform medical services.

**URL:** <https://coa.nmcourts.gov/wp-content/uploads/sites/43/2025/05/May-30-2025-Vista-Staffing-Solutions-Inc.-v.-New-Mexico-Taxation-and-Revenue-Department-No.-A-1-CA-41090.pdf>

**URL:** <https://www.tax.newmexico.gov/all-nm-taxes/wp-content/uploads/sites/9/2023/04/23-09-Vista-Staffing-Solutions.pdf>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230428\\_9.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230428_9.html)

Note that the GRT exemption at issue in this case was subsequently amended in 2019, potentially rendering a different result for future tax periods under the amended version of the exemption statute. Please contact us with any questions.

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## **Sales/Use/Indirect:**

### **Texas: New Law Formally Excludes Internet Access Services from Taxation**

*S.B. 1405*, signed by gov. 6/20/25. Reflecting the fact that internet access is no longer subject to tax in Texas as of July 1, 2020, pursuant to the federal Internet Tax Freedom Act (ITFA) – which generally bars state and local governments from imposing new taxes on internet access and multiple or discriminatory taxes on electronic commerce – recently signed legislation excludes “Internet access service” from being classified as a taxable service under Texas sales and use tax statutes. Please contact us with any questions.

**URL:** <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB1405>

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## **Sales/Use/Indirect:**

### **Texas: Services Offered to Satisfy Federal Prescription Drug Data Collection Reporting Obligations are Taxable Data Processing**

*Private Letter Ruling No. 20240514143135*, Tex. Comptroller of Public Accounts (3/18/25). Responding to an inquiry submitted by a company providing various solutions to employers that sponsor employer-based health plans to satisfy annual prescription drug data collection reporting obligations pursuant to the federal Consolidated Appropriations Act of 2021, a Texas Comptroller of Public Accounts (Comptroller) private letter ruling concludes that based on the provided facts, the company's offerings constitute taxable data processing services under Texas law. Under the facts, the company's services include i) testing files received from employers within a federal portal to determine whether the information will meet federal requirements; ii) compiling and storing employer data submitted to its system; iii) converting data files to the appropriate type for submission (*i.e.*, data manipulation); and iv) extrapolating information from employers' supporting documents to generate required data files – all of which, according to the Comptroller, fall under the definition of data processing in Texas. Please contact us with any questions.

**URL:** <https://star.comptroller.texas.gov/view/202503018L>

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## **Sales/Use/Indirect:**

### **Utah: ALJ Concludes that Online Streaming Platform's Subscription Fees are Fully Taxable as Bundled Transactions**

*Appeal No. 22-1274*, Utah State Tax Commission (5/1/25). An administrative law judge (ALJ) with the Utah State Tax Commission held that Utah law imposes sales tax on the subscription fees that a company charges its Utah customers for using its streaming service platform. Under the facts, the company charges a flat subscription fee for use of its streaming service platform, and the streaming service platform includes a number of distinct and identifiable features that are sold for one non-itemized price, including online-streaming products and offline-download products. In this respect, the ALJ concluded that the subscription fees for the streaming service platform constitute a bundled transaction, the entire transaction of which is

subject to taxation. The ALJ noted that the company failed to provide any books and records to separately identify by “reasonable and verifiable standards” how much of the subscription fee is attributable to its online-streaming product versus the offline-download product, as well as how much of the subscription fee is attributable to its other features. Therefore, according to the ALJ, the entire bundled transaction is subject to Utah sales and use taxes. Please contact us with any questions.

**URL:** <https://tax.utah.gov/commission/decision/22-1274.pdf>

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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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