



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

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Dear Readers:

In this midsummer issue (yes, we're already halfway through the year!), we will dive into three must-know tax developments that every finance professional should track.

First, we will drill into Washington's expanded B&O tax and Chicago's lease tax overhaul, outlining exactly what your team needs to tackle right now. Next, we will unpack marketplace sales tax liability in light of the South Carolina Supreme Court's March 2026 ruling against Amazon, examining who really collects, who actually remits and how to stay compliant. Then we will compare Maryland's and Rhode Island's approaches to SaaS, software and other tech products so you can navigate differing state rules with confidence.

On our radar too is California's SB 122. Passed by the Legislature and awaiting the Governor's signature, this bill would extend sales and use tax to remotely accessed software and SaaS subscriptions sold to California customers, potentially generating in excess of \$1 billion annually, effective January 1, 2027. Custom software and digital content like music and video would remain exempt. We will keep you informed as this one moves through the finish line.

Read on to stay ahead of these pivotal mid-year shifts and ensure your team is poised for whatever the second half of 2026 brings.

Fondly,
Monika & Bill



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WASHINGTON'S B&O TAX & CHICAGO'S LEASE TAX CHANGES: WHAT SaaS FINANCE LEADERS SHOULD DO

If you manage finance for a SaaS company, the last six months brought a lot to keep up with. Washington expanded its sales tax base on



October 1, 2025. Chicago raised its Personal Property Lease Transaction Tax from 11% to 15% on January 1, 2026. Maryland added IT services to its sales tax base last summer. Maine added digital audio and audiovisual services at the start of this year.

To read more about Washington's B&O Tax and Chicago's Lease Tax changes, [click here](#).

WHO COLLECTS AND REMITS SALES TAX WHEN YOU SELL THROUGH A MARKETPLACE PLATFORM

Every U.S. state with a sales tax now has a marketplace facilitator law. Most have had them for several years. Yet many sellers and



platforms still misunderstand exactly where their responsibilities begin and end, especially in mixed-channel scenarios. The South Carolina Supreme Court's March 2026 ruling against Amazon, which we get to shortly, is a current reminder that states

are still working through edge cases, even on transactions that happened a decade ago.

To read more about about who collects and remits sales tax when you sell through a marketplace platform, [click here](#).

MARYLAND & RHODE ISLAND AND SALES TAX- SAAS, SOFTWARE AND OTHER

This month, we continue our blog series by contrasting how two Mid-Atlantic neighbors Maryland and Rhode Island approach the sales tax treatment of SaaS (Software as a Service) and traditional software.



To read more about the tax landscape in Maryland and Rhode Island, [click here](#).

Networking:

NAWBO-SV

Join us on Tuesday, June 30, 2026, from 6:00 p.m. to 8:00 p.m. PST for the NAWBO Silicon Valley 2026–27 Board Installation Ceremony. Celebrate leadership, reimagine possibility, and strengthen women's voices in business as we honor our past, mark our present, and spark the next chapter of our collective impact.

The keynote speaker, Brian Weisfeld of The Startup Squad, will share "Innovate Like a Child, Deliver Like an Expert," revealing how fearless curiosity and strategic discipline fuel billion-dollar breakthroughs. Stick around afterward for a one-on-one book signing and take home your autographed copy. Tickets are \$20 for members and non-members. For more information on this event, [click here](#).

To find out more about NAWBO, [click here](#).

AFWA

Stay tuned for more updates on AFWA events. For more info on AFWA, [click here](#).

Educating/Speaking:

Don't forget- We do customized multi-state tax presentations for local accounting firms; invite us to do one at your firm! Stay tuned for upcoming webinars!

For more information, please call us at 408-266-2259

About Miles Consulting

Miles Consulting Group is a professional services firm specializing in multi-state tax solutions. We address state and local tax issues for our clients, including general state tax consulting, nexus & taxability reviews, audit support, voluntary disclosure agreements, and other special projects. We also specialize in SaaS and other technology industries. For more information, visit www.milesconsultinggroup.com.

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