



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Monthly News & Updates

July 2026

Dear Readers:

Welcome to the third quarter of 2026! Big news—California's SB-122 was signed into law on June 29, 2026. Under this bill, digital products will be classified as tangible personal property starting January 1, 2027, bringing significant changes for both SaaS providers and their customers. Colorado will also begin taxing prewritten non-custom software at the state level on January 1, 2027 (custom software remains exempt). Miles Consulting Group is here to help you understand what's ahead and prepare for a smooth transition.

In this newsletter, we're proud to feature the first installment of our new mini-series on SB-122 and its implications for technology businesses. You'll learn how to plan and prepare for the reclassification of digital products, get the latest CDTFA guidance and updates on the law, and discover what these changes mean for your billing, reporting, and customer communications.

Be sure to also check out our comprehensive article, "Marketplace Facilitator Sales Tax: A Platform's Guide to Collection, Filing and Gaps," for detailed insights on marketplace facilitator obligations, key filing deadlines, and common compliance gaps. You'll also find a recap of recent events, details on upcoming opportunities to connect with our team, and a warm welcome to our new Director of Business Development, Tanner Denning. Here's to a productive Q3—let's tackle these changes together!

Fondly,
Monika & Bill

Marketplace Facilitator Sales Tax: A Platform's Guide to Collection, Filing and Gaps



state's specific definition.

Every U.S. state with a sales tax now has a marketplace facilitator law, and the scope has stretched well beyond the original product-marketplace scenarios these laws were written for. Amazon and Etsy were the obvious early targets. Airbnb, Vrbo, and the wider set of lodging and short-term rental platforms are now named explicitly in many state statutes. Services platforms like TaskRabbit and Find My Builder aren't usually named directly, and whether they're in scope depends on each

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Blog Mini Series: SaaS Tax Watch: 2027 and Beyond



The day has finally come: signed into law on June 29, 2026, SB 122 declares that “digital products” will be taxable as tangible personal property in California effective January 1, 2027. As the technology industry rapidly expanded in the past decade, California’s booming tech ecosystem benefited greatly from the state’s long-standing position that purchases and sales of software delivered electronically, such as prewritten code downloaded to a user’s device or accessed in a browser, is not subject to sales tax. Additionally, the term “Software as a Service,” also known as SaaS, was

not a “retail sale of tangible personal property” and therefore not subject to California sales tax. It is now!

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Introducing Tanner Denning, Our New Director of Business Development



With over 14 years in healthcare and accounting business development, Tanner combines deep industry knowledge with a consultative, client-first approach. Fluent in English and Tagalog, he’s just as comfortable mapping growth strategies as he is catching waves or riding motorcycles with his dad. [Click here](#) to read his full bio to learn more about his journey and what drives him—both in and out of the office.

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Networking and Events

2026 IPT Sales Tax Symposium

We’re proud to announce that our team member, Aly Davidian, will be speaking at the 2026 IPT Sales Tax Symposium in Orlando, FL. The IPT Sales Tax Symposium is the premier annual event for advanced sales and use tax education, bringing together industry experts and thought leaders. Aly will present “Software, SaaS & Digital Offerings: Bundling, Allocation, and the Evolving Tax Landscape,” exploring best practices for

structuring and taxing today's most complex technology transactions. For more information about the conference, [click here](#).



Events:

In June, the Miles Consulting Team, spread across multiple locations, gathered in person for a day of team building activities and camaraderie. It was a fantastic chance to strengthen relationships, share ideas face to face, and create memories beyond the virtual workspace.



NAWBO-SV

Join us on Tuesday, August 11, from 10 a.m. to 11 a.m. for Network it!. Join us for this fast-paced, high-energy virtual networking hour where meaningful connections happen in minutes. This event is virtual. For more information on this event, [click here](#).

Have any questions for us? Click [here](#) to schedule a call with Bill or Monika



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