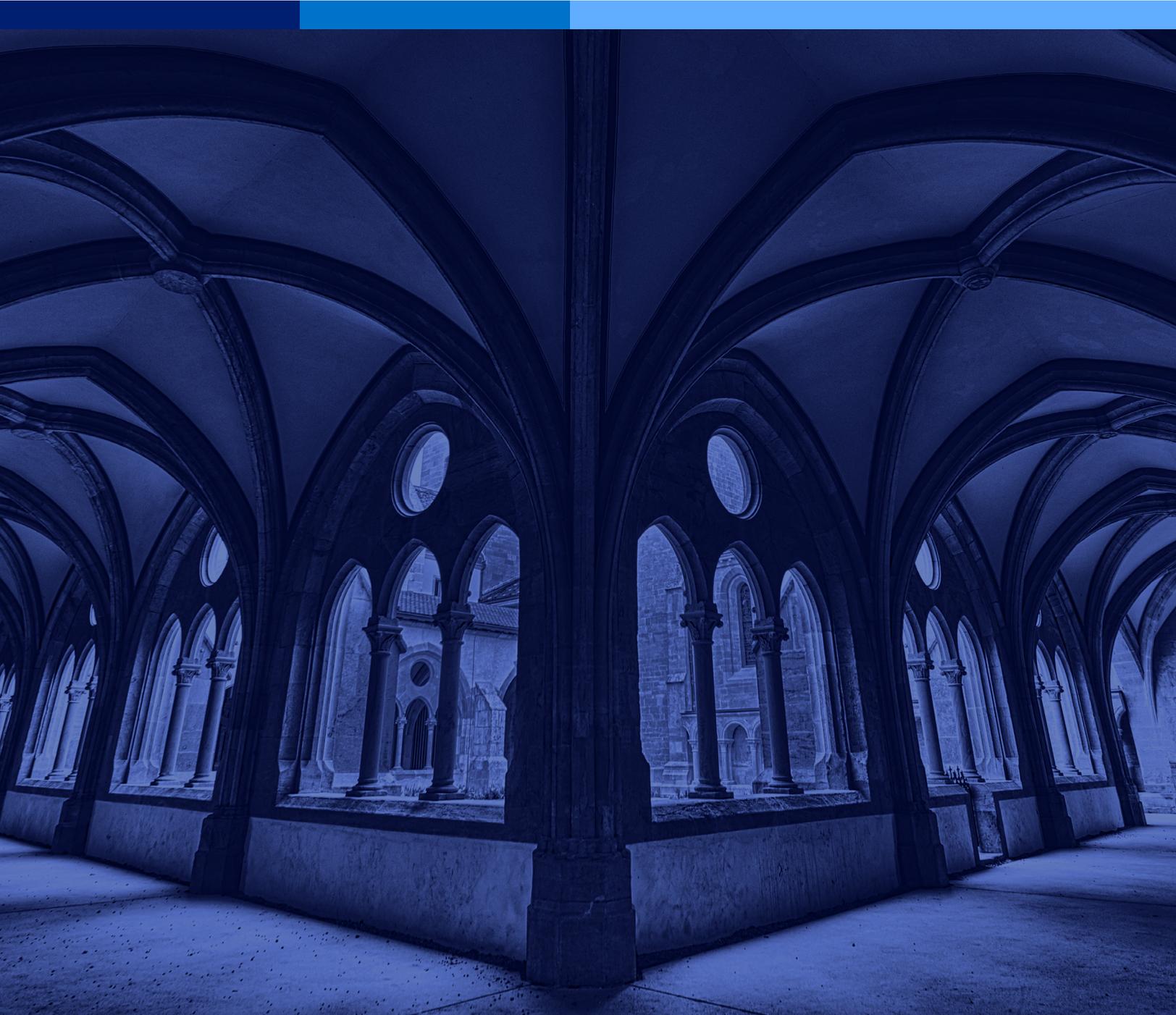




# SALES & USE TAX NEWSLETTER

*3rd Quarter 2025*



KBF's quarterly newsletter updates clients on state and local income/franchise tax news, developments, and trends. Note that this newsletter is for discussion purposes only; for specific guidance, consult with your KBF service team or find a KBF tax professional [here](#).



## ■ COLORADO

### Colorado Eliminates State Sales Tax Vendor Fee Effective January 1, 2026

Effective January 1, 2026, Colorado eliminated the state sales tax vendor fee, prohibiting retailers from retaining any money to cover expenses related to collecting and remitting state sales tax. Prior to this date, retailers with total taxable sales of \$1 million or less per filing period could retain 4% of the tax reported as a vendor fee, up to \$1,000 per period.

Source: Ch. 9 (H.B. 1005), Laws 2025, First Extraordinary Session

### Colorado Retail Delivery Fee Decrease Effective July 2025

For the July 2025 through June 2026 period, Colorado's Retail Delivery Fee (RDF) decreased to \$0.28. The Colorado Department of Revenue assesses the RDF annually and posts the rate for the upcoming fiscal year.

Source: "Retail Delivery Fee Rates", CO Department of Revenue website, [tax.colorado.gov/retail-delivery-fee-rates](https://tax.colorado.gov/retail-delivery-fee-rates)



## ■ FLORIDA

### **Florida Repeals Sales Tax on Commercial Rentals, Effective October 1, 2025**

Effective October 1, 2025, Florida repealed the state sales tax on rent or license fees for the use of real property (commercial rentals). No Florida state sales tax or discretionary sales surtax applies to rent or license fees for rental or occupancy periods beginning on or after October 1, 2025, including commercial office space, retail space, warehouses, and self-storage units.

Source: Tax Information Publication, No. 25A01-04, Florida Department of Revenue, July 24, 2025

### **Florida Enacts New Permanent Sales Tax Exemptions Effective August 1, 2025**

Effective August 1, 2025, Florida enacted permanent sales and use tax exemptions on items previously exempted temporarily during the state's past disaster preparedness and freedom month sales tax holidays.

Source: Florida Department of Revenue, August 2025

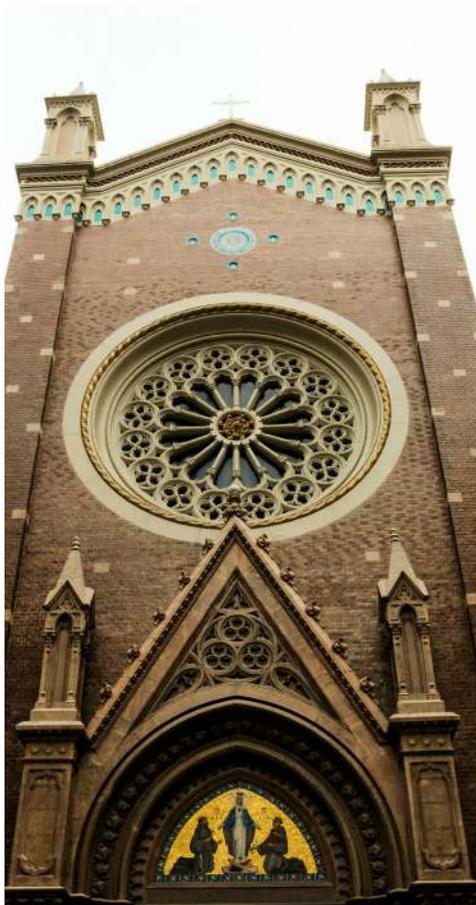


## ■ ILLINOIS

### Illinois Announces Tax Amnesty Program

Illinois extended a new amnesty period from October 1, 2025, to November 17, 2025, allowing taxpayers to report and remit taxes for periods between June 30, 2018, and July 1, 2024. Under this program, the Department of Revenue will waive penalties and interest and will not seek civil or criminal penalties for covered periods, provided taxpayers pay all tax due by November 15, 2025. Taxpayers involved in pending criminal investigations or civil/criminal litigation related to nonpayment, delinquency, or fraud are not eligible.

Source: FY 2026-01, 2025 Illinois Tax Delinquency Amnesty Act, Informational Bulletin, August 2025



## ■ LOUISIANA

### Digital Products Now Considered in Economic Nexus

Digital products now count toward Louisiana's \$100,000 economic nexus threshold, potentially bringing more remote businesses into the state's tax net. The legislation notably adds "digital product" to "tangible personal property" throughout, requiring sellers to include digital products along with tangible personal property, electronically transferred products, and services when calculating economic nexus.

Source: Louisiana Legislature, House Bill 578, Act No. 384, Regular Session, signed June 20, 2025



## ■ MAINE

### **Maine Redefines Taxable Digital Services to Include Digital Audiovisual and Audio Content**

Effective January 1, 2026, Maine will begin taxing digital audiovisual and audio services for personal consumption, including subscriptions and fees to access these services even without permanent downloads. Services such as Netflix, Hulu, Spotify, Apple Music, audiobook and podcast subscriptions will now be taxable in Maine.

Source: Committee Amendment "A" to H.P. 132, L.D. 210, Maine Legislature, signed June 20, 2025



## ■ MISSOURI

### **Missouri Enacts Sales and Use Tax Exemption for Hygiene Products**

Effective August 28, 2025, Missouri enacted a sales and use tax exemption for retail sales of diapers, incontinence products, and feminine hygiene products.

Source: H.B. 594, Laws 2025; Fiscal Note, Committee on Legislative Research Oversight Division, signed by Governor Kehoe July 10, 2025



## ■ WASHINGTON

### Washington issued interim guidance on sales tax for temporary staffing services

Effective October 1, 2025, temporary staffing services are treated as retail sales subject to retail sales tax and B&O tax, whereas previously taxation followed the worker's underlying activity. Temporary staffing services are defined as recruiting, hiring, and assigning workers under the customer's direction with intent to reassign them, with an exclusion for placements to licensed hospitals.

Source: Interim Guidance Statement Regarding Changes Made by ESB 5814 For Temporary Staffing Services, Washington Department of Revenue, September 17, 2025

### Washington State Announces Limited Time Voluntary Disclosure Program Expansion

Starting July 1, 2025, Washington expanded its Voluntary Disclosure Program (VDP) on a temporary basis for businesses with unreported investment income subject to B&O tax. The VDP allows qualifying businesses to report revenue without penalties and interest through two ten-month phases: July 1, 2025, through April 30, 2026, and July 1, 2026, through April 30, 2027.

Source: Investment Income Voluntary Disclosure Program, Washington State Department of Revenue, [dor.wa.gov](http://dor.wa.gov)



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