Insights: Publications

Market Sourcing: States Look-Through Approach Rejected Again

Tax Notes State

OCTOBER 26, 2020 Written by Lauren A. Ferrante

This article discusses the rejection of a state's look-through approach in market sourcing. It provides insights into the complexities and nuances of sourcing sales of tangible personal property (TPP) and the various twists and turns that practitioners face. It highlights the importance of understanding the destination, delivery, and receipt terms, as they may not always mean the same thing depending on the state. The article also touches on the commercial activity tax (CAT) TPP sourcing provision in Ohio, which states that gross receipts from the sale of TPP shall be sitused to the state if the property is received in the state by the purchaser. It mentions that several other states, including Louisiana, North Carolina, and South Carolina, use a similar "ultimately received" standard for the income tax sourcing of TPP, and several states have adopted a destination sourcing rule for this property, including dock sales of TPP.

Related People



Lauren A. Ferrante
t 312.224.1039
lferrante@ktslaw.com