



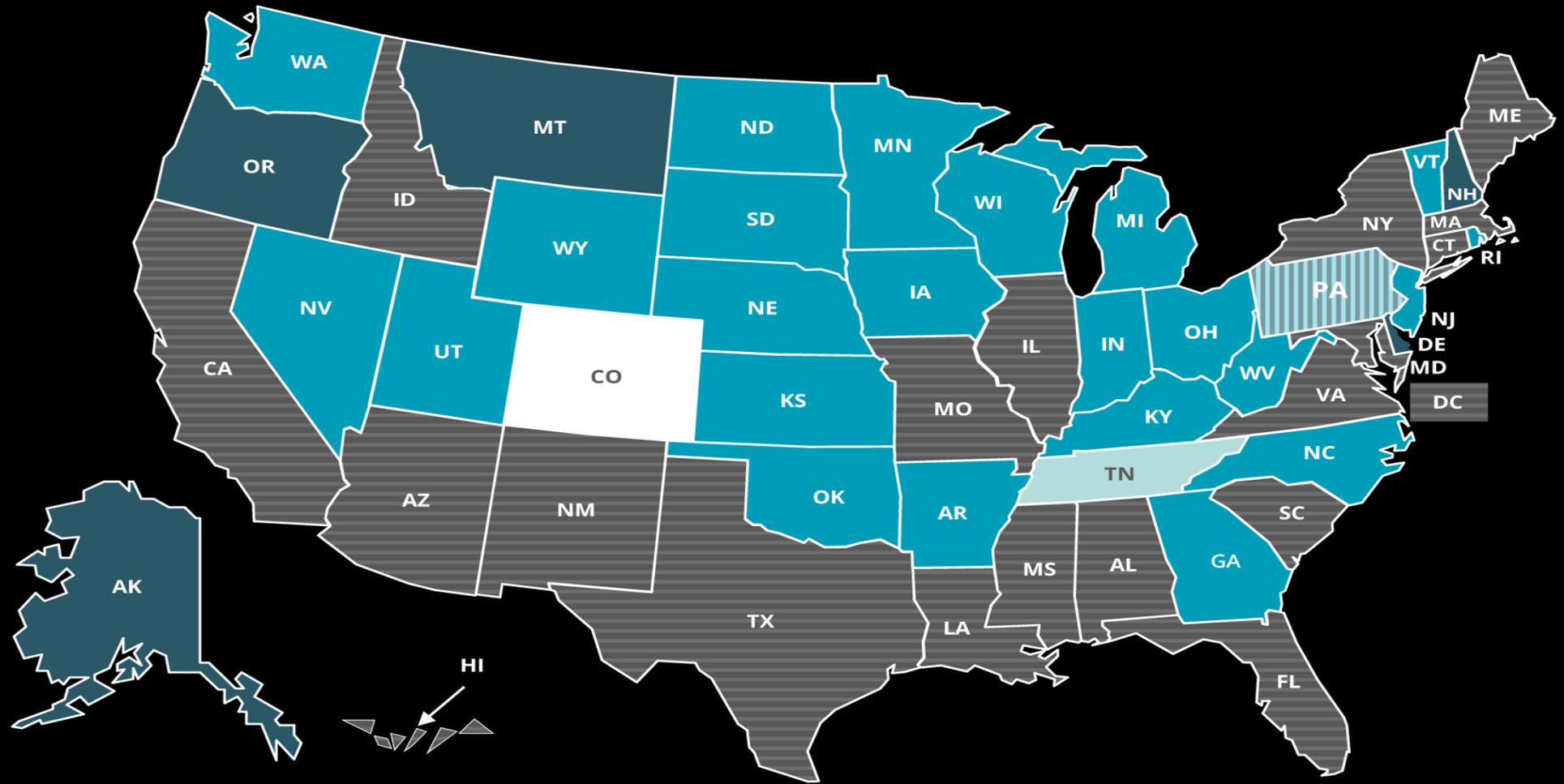
# Streamlined Sales Tax And The *Wayfair* Decision

Christie Comanita, Director of Research and State Compliance  
Streamlined Sales Tax Governing Board



Streamlined Sales Tax  
Governing Board, Inc.

# STREAMLINED STATE STATUS 05-01-2019



 Full Member States  
 Associate Member States *flex to full*  
 Advisory States *not conforming*

 Non-sales Tax States  
 Project States *not advisory*  
 Non-participating State

# Streamlined's Goals



- ▶ Create a simpler system for administering the various state and local sales taxes
- ▶ At least make processes uniform if they cannot be made simple
- ▶ Balance the interests of a state's sovereignty with the interests of simplicity and uniformity
- ▶ Leverage the use of technology to ease the retailer's tax collection and reporting

# Why We Do It

- ▶ *Quill v. North Dakota* (1992)
- ▶ Compliance with sales tax laws by multi-state corporations is too complex
- ▶ Local merchants suffer from lack of level playing field
- ▶ Significant losses of tax revenue due to growth in electronic commerce and inability of states to administer use tax with consumers

# Why We Do It – Identifying What Makes the System Burdensome

- Separate state and local tax administration
- Unclear rules on who has the right to tax a transaction
- Too many tax rates within each state and locality
- Different state and local tax bases

# Why We Do It – Identifying What Makes the System Burdensome

- Separate state definitions
- Retailer's held liable for tax when a buyer lies or fails to provide proof of an exempt sale
- Returns different in every state
- Separate registration required in every state

# Key Features of SSUTA

- ▶ State level administration of local sales and use taxes
- ▶ Common state and local tax bases within a state
- ▶ Uniform destination-based sourcing rule for goods and services
- ▶ States can choose origin sourcing for intrastate delivered products

# Key Features of SSUTA

- ▶ One-stop central registration
- ▶ Uniform definitions
- ▶ Rate and boundary databases
- ▶ Taxability matrix
- ▶ Uniform returns
- ▶ Simplified exemption administration
- ▶ CSP Model

# The “Certified Service Provider” (CSP)

## ▶ Who or what is a CSP?

A third party that allows sellers to outsource its sales tax compliance responsibilities

# The “Certified Service Provider” (CSP)

- ▶ Uses a Certified Automated System (CAS)
  - ▶ Determines:
    - ▶ Taxability of transaction
    - ▶ State and local tax rates
    - ▶ Tax due to each jurisdiction
  - ▶ Generates and files returns
  - ▶ Makes required remittances
  - ▶ Meets other requirements set by SSTGB

# The “Certified Service Provider” (CSP)

## ▶ Benefits To Sellers of Using CSPs

- ▶ Sellers who have to collect tax in a Streamlined state solely because they exceed the state’s economic nexus requirements may use CSP’s at no cost in those states
- ▶ Seller makes a single automated payment for all remittances
- ▶ CSP distributes the money to appropriate jurisdictions
- ▶ CSP assumes responsibility for audit(s)

# The “Certified Service Provider” (CSP)



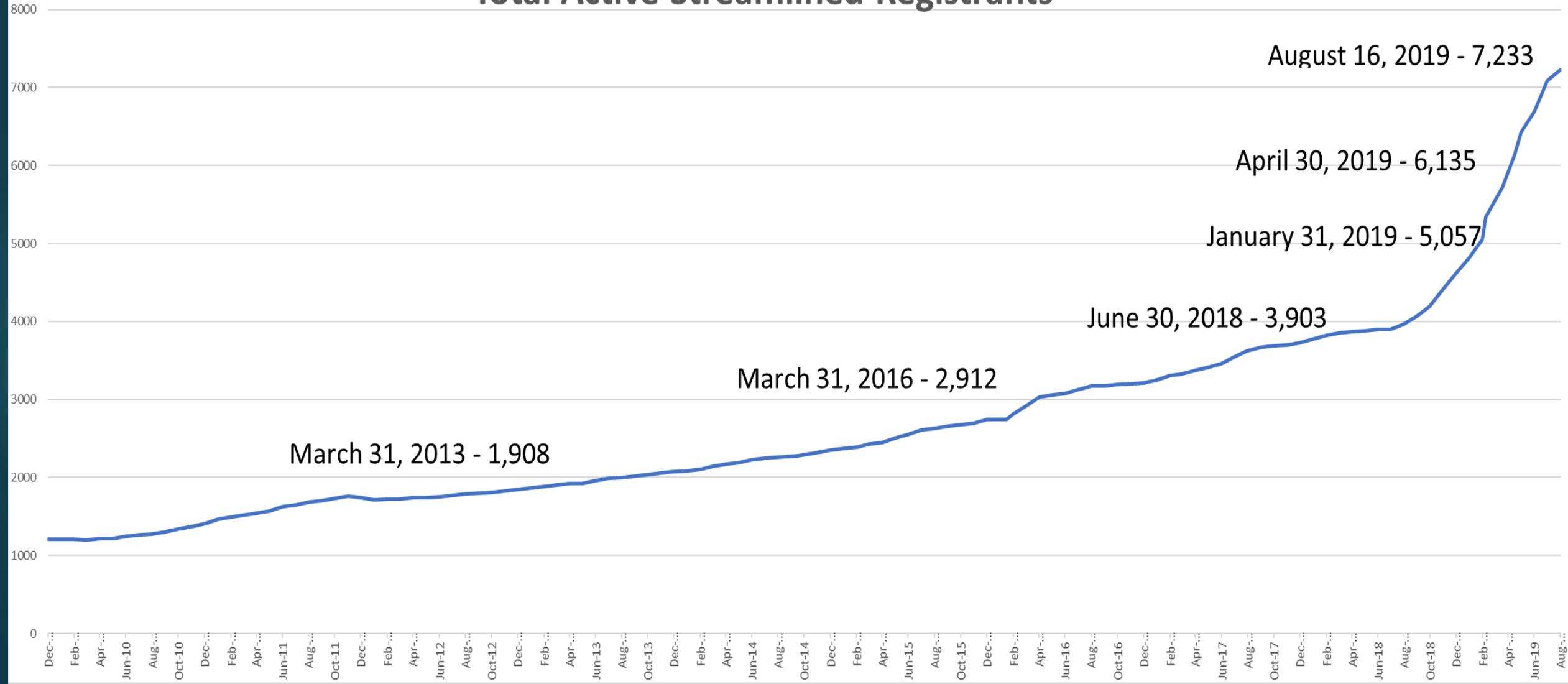
## ▶ Benefits to States

- ▶ Upfront review of tax rules
- ▶ Confidence that proper rates are being charged
- ▶ Timely and electronic filing of returns
- ▶ Ongoing testing of system for accuracy
- ▶ No cost unless “volunteer” tax is collected and remitted

# Streamlined's Success to Date

- ▶ Completely voluntary system
- ▶ Over 7,200 active retailers voluntarily collecting
- ▶ Nearly \$4 billion collected by member states

# Total Active Streamlined Registrants





What Has Streamlined Done to Help  
Since the *Wayfair* decision?

[streamlinedsalestax.org](http://streamlinedsalestax.org)

# Streamlined Activity



- ▶ Uniform messaging
  - ▶ Impact of decision
  - ▶ What remote seller's need to do
  - ▶ Common questions
  - ▶ State contact information
    - ▶ ALL states

# Streamlined Activity

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold	State Guidance for Remote Sellers	Notes	Streamlined Member State Information
<a href="#">Alabama</a>	10/1/2018	Sales of TPP of <i>more than \$250,000</i> in prior calendar year; No transaction threshold  Seller must also engage in or conduct certain other activities in Alabama in addition to having more than \$250,000 in sales.	<a href="#">Remote Seller</a>	<a href="#">Press Release (7/3/2018)</a> <a href="#">AL FAQs</a>	
<a href="#">Alaska</a>					
<a href="#">Arizona</a>	10/1/2019	Annual gross retail sales or income from online sales into Arizona is <i>more than \$200,000 in 2019, \$150,000 in 2020 and \$100,000 in 2021 and thereafter.</i>	<a href="#">Remote Seller</a>		
<a href="#">Arkansas</a>	7/1/2019	Sales <i>exceed \$100,000</i> or 200 transactions during the current or preceding year.	<a href="#">Remote Seller</a>	<a href="#">Marketplace Facilitator</a>	<a href="#">AR</a>
<a href="#">California</a>	4/1/2019	The total combined sales <i>exceed \$500,000</i> during the preceding or current calendar year	<a href="#">Remote Seller</a>		
<a href="#">Colorado</a>	12/1/2018	Taxable sales of <i>more than \$100,000</i> in past calendar year	<a href="#">Remote Seller</a>	<a href="#">Marketplace Facilitator</a>	
<a href="#">Connecticut</a>	12/1/2018	<i>\$250,000 or more</i> in gross receipts or <i>200 or more</i> retail transactions	<a href="#">Remote Seller</a>		
<a href="#">Delaware</a>					

# Questions

Christie Comanita, Director of Research and State Compliance, Streamlined  
Sales Tax Governing Board, Inc.

[Christie.comanita@sstgb.org](mailto:Christie.comanita@sstgb.org)

480-653-7113

