



Primed FOR DISASTER

How SSUT Removed Education From the Buggy

Kirk Keith, Manager *Tuscaloosa County Special Tax Board*



Simplified Sellers Use Tax

Legislative Act No. 2015-448, entitled the “Simplified Sellers Use Tax Remittance Act,” allows eligible sellers to participate in a program to collect, report and remit a flat eight percent (8%) sellers use tax on all sales made into Alabama.

- State of Alabama remains 4%
 - ALL Cities 2%
 - ALL Counties 2%
 8%
-
- Locals distribution is based on 2010 Federal Census (Only State distributing on population)
 - 2010 Tuscaloosa County 194,000 UA 20,000
 - 2018 Tuscaloosa County 210,000 UA 38,000
 - Student and Military population greatly underreported
 - Prison inmates are included in City/County population
 - Many locals have rates higher than 8%

Simplified Sellers Use Tax (SSUT) Not a new tax

“That tax is already owed. Even if it’s a small business, you have to pay it, by law,” Bentley said. “This is not a new tax.”

The screenshot shows a news article from the Montgomery Advertiser. The header includes the site name and navigation links for Home, News, Sports, Business, Insider, USA Today, and a search icon. The article title is 'Bentley: Online retailers should collect sales taxes', written by Mary Orndorff Troyan and published on February 22, 2014. The article text discusses Governor Robert Bentley's statement that Congress should pass legislation to require online retailers to collect sales taxes, similar to brick-and-mortar stores. It mentions the Marketplace Fairness Act and estimates that Alabama's budget would gain \$140 million to \$150 million annually if implemented. A sidebar on the left contains social media sharing icons for Facebook, Twitter, LinkedIn, and email. On the right, there is a green 'START NOW' button with a downward arrow and a section titled '3 Easy Steps:'.

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Bentley: Online retailers should collect sales taxes

By Mary Orndorff Troyan; Published 11:47 p.m. CT Feb. 22, 2014

WASHINGTON – Gov. Robert Bentley said Saturday that Congress should pass legislation to make online retailers start collecting sales taxes but without an exemption for small businesses.

Bentley, like many of the state leaders gathered in Washington for the National Governors Association meeting, said the Marketplace Fairness Act will level the playing field between brick-and-mortar retailers, who already collect and remit sales taxes, and their online-only competition.

But for Bentley, the issue is about more than fairness. He estimates Alabama's cash-strapped General Fund budget would gain \$140 million to \$150 million a year if online retailers were required to hand over the sales taxes when their customers buy

START NOW

3 Easy Steps:

Why Do We Need SSUT?

Alabama Legislature's Proactive Leadership

Section 40-23-170

Legislative findings.

The Legislature finds that the State of Alabama should participate in negotiations with other states to simplify and modernize tax administration in order to substantially reduce the burden of tax compliance for all sellers, to reduce the costs of the administration, and to provide a means by which sales and use taxes may be levied and collected from those remote sellers located outside of this state which deliver inside this state items sold through catalogs, Internet, and other means.

(Act 2002-418, p. 1068, §1.)

Section 40-23-174

Distribution of proceeds.

(a) Should the enactment of a national agreement for the collection of sales and use taxes from remote sellers establish a single national tax rate on such remote sales or should the agreement provide for the State of Alabama to establish a single statewide rate on such remote sales, the proceeds shall be distributed as follows:

(1) One-half of such proceeds shall be distributed to the State of Alabama of which 75% shall be deposited into the General Fund, and 25% shall be deposited into the Education Trust Fund.

(2) One-quarter shall be distributed to the governing body of the municipality in which the delivery is made, if the delivery is made into a municipality.

(3) The remainder shall be distributed to the county governing body in the county in which the delivery is made.

(b) The tax proceeds distributed to a municipality or county shall be expended by the governing body of the municipality or county as required and provided by law for other sales and use tax proceeds levied and collected by the county or municipality including any bonded indebtedness.

(Act 2002-418, p. 1068, §5; Act 2012-599, p. 1924, 1st Sp. Sess., §1.)

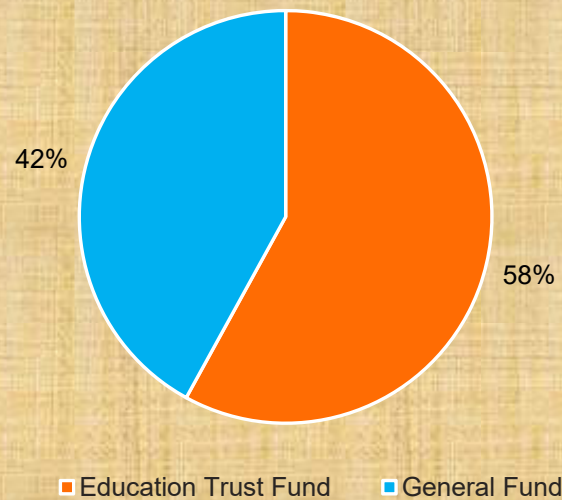
County	FY 2017 State tax collections in each County (4%)	Online sales as percent of Total Retail sales 8.0%	County Tax due per online sales (2%)	FY 2017 SSUT funds Disbursed	Lost/Gain Revenue
Autauga	\$ 8,057,609.00	\$ 644,608.72	\$ 322,304.36	\$149,457.37	\$(172,846.99)
Baldwin	\$ 69,902,036.45	\$ 5,592,162.92	\$2,796,081.46	\$499,181.78	\$(2,296,899.68)
Barbour	\$2,646,574.99	\$211,726.00	\$105,863.00	\$75,198.39	\$(30,664.61)
Bibb	\$1,778,705.98	\$142,296.48	\$71,148.24	\$62,758.91	\$(8,389.33)
Blount	\$13,281,660.33	\$1,062,532.83	\$531,266.41	\$156,991.73	\$(374,274.68)
Bullock	\$845,090.81	\$67,607.26	\$33,803.63	\$29,890.93	\$(3,912.70)
Butler	\$2,466,630.65	\$197,330.45	\$98,665.23	\$57,368.99	\$(41,296.24)
Calhoun	\$31,335,375.37	\$2,506,830.03	\$1,253,415.01	\$324,741.35	\$(928,673.66)
Chambers	\$4,568,132.65	\$ 365,450.61	\$182,725.31	\$93,706.99	\$(89,018.32)
Cherokee	\$2,616,721.40	\$209,337.71	\$104,668.86	\$71,177.87	\$(33,490.99)
Chilton	\$,675,221.05	\$694,017.68	\$347,008.84	\$119,528.11	\$(227,480.73)
Choctaw	\$,977,451.78	\$158,196.14	\$79,098.07	\$37,956.61	\$(41,141.46)
Clarke	\$,439,945.39	\$595,195.63	\$297,597.82	\$ 70,750.62	\$(226,847.20)
Clay	\$,617,163.23	\$129,373.06	\$64,686.53	\$ 38,156.53	\$(26,530.00)
Cleburne	\$,737,515.24	\$299,001.22	\$149,500.61	\$ 41,004.85	\$(108,495.76)
Coffee	\$ 1,996,125.03	\$959,690.00	\$479,845.00	\$136,796.05	\$(343,048.95)
Colbert	\$ 9,135,687.97	\$1,530,855.04	\$765,427.52	\$149,065.73	\$(616,361.79)
Conecuh	\$,679,804.28	\$134,384.34	\$67,192.17	\$36,228.45	\$(30,963.72)
Coosa	\$ 708,378.92	\$56,670.31	\$28,335.16	\$31,602.65	\$3,267.49
Covington	\$,076,813.49	\$726,145.08	\$363,072.54	\$103,429.62	\$(259,642.92)
Crenshaw	\$,860,586.24	\$148,846.90	\$74,423.45	\$38,085.32	\$(36,338.13)
Cullman	\$68,710,585.02	\$5,496,846.80	\$2,748,423.40	\$220,213.48	\$(2,528,209.92)
Dale	\$6,773,064.40	\$541,845.15	\$270,922.58	\$137,625.90	\$(133,296.68)
Dallas	\$4,721,825.45	\$377,746.04	\$188,873.02	\$ 120,012.86	\$(68,860.16)
DeKalb	\$12,443,557.75	\$995,484.62	\$497,742.31	\$ 194,751.14	\$(302,991.17)
Elmore	\$11,664,075.30	\$933,126.02	\$466,563.01	\$ 217,192.62	\$(249,370.39)
Escambia	\$10,319,461.22	\$825,556.90	\$412,778.45	\$ 104,946.90	\$(307,831.55)
Etowah	\$18,271,981.49	\$1,461,758.52	\$730,879.26	\$ 286,009.67	\$(444,869.59)
Fayette	\$2,638,349.78	\$211,067.98	\$105,533.99	\$ 47,219.13	\$(58,314.86)
Franklin	\$3,479,114.44	\$278,329.16	\$139,164.58	\$ 86,829.95	\$(52,334.63)
Geneva	\$7,150,991.08	\$572,079.29	\$286,039.64	\$ 73,371.62	\$(212,668.02)
Greene	\$706,013.11	\$56,481.05	\$28,240.52	\$ 24,772.17	\$(3,468.35)
Hale	\$1,365,019.04	\$109,201.52	\$54,600.76	\$43,163.01	\$(11,437.75)
Henry	\$3,195,604.76	\$255,648.38	\$127,824.19	\$47,386.19	\$(80,438.00)
Houston	\$42,067,948.88	\$3,365,435.91	\$1,682,717.96	\$278,113.80	\$(1,404,604.16)
Jackson	\$7,307,174.94	\$584,574.00	\$292,287.00	\$145,776.47	\$(146,510.53)
Jefferson	\$337,732,619.97	\$27,018,609.60	\$13,509,304.80	\$1,803,386.43	\$(11,705,918.37)
Lamar	\$1,730,066.41	\$138,405.31	\$69,202.66	\$39,887.45	\$(29,315.21)
Lauderdale	\$29,457,536.99	\$2,356,602.96	\$1,178,301.48	\$253,908.56	\$ (924,392.92)
Lawrence	\$2,130,898.87	\$170,471.91	\$85,235.95	\$94,046.60	\$8,810.65
Lee	\$36,508,621.92	\$2,920,689.75	\$1,460,344.88	\$384,104.17	\$(1,076,240.71)

County	FY 2017 State tax collections in each County (4%)	Online sales as percent of Total Retail sales 8.0%	County Tax due per online sales (2%)	FY 2017 SSUT funds Disbursed	Lost/Gain Revenue
Limestone	\$20,499,236.99	\$1,639,938.96	\$819,969.48	\$226,720.80	\$(593,248.68)
Lowndes	\$1,056,239.58	\$84,499.17	\$42,249.58	\$30,945.36	\$(11,304.22)
Macon	\$2,053,724.28	\$164,297.94	\$82,148.97	\$58,752.08	\$(23,396.89)
Madison	\$130,081,597.34	\$10,406,527.79	\$5,203,263.89	\$916,970.07	\$(4,286,293.82)
Marengo	\$2,643,845.84	\$211,507.67	\$105,753.83	\$57,588.11	\$(48,165.72)
Marion	\$4,635,542.71	\$370,843.42	\$185,421.71	\$84,288.36	\$(101,133.35)
Marshall	\$25,555,903.64	\$2,044,472.29	\$1,022,236.15	\$254,757.57	\$(767,478.58)
Mobile	\$144,555,488.73	\$11,564,439.10	\$5,782,219.55	\$1,131,089.79	\$(4,651,129.76)
Monroe	\$4,738,469.51	\$379,077.56	\$189,538.78	\$63,177.92	\$(126,360.86)
Montgomery	\$90,658,577.86	\$7,252,686.23	\$3,626,343.11	\$628,172.34	\$(2,998,170.77)
Morgan	\$29,671,563.12	\$2,373,725.05	\$1,186,862.52	\$327,255.54	\$(859,606.98)
Perry	\$705,852.54	\$56,468.20	\$28,234.10	\$29,006.32	\$772.22
Pickens	\$1,465,747.81	\$117,259.82	\$58,629.91	\$54,079.73	\$(4,550.18)
Pike	\$6,182,643.93	\$494,611.51	\$247,305.76	\$90,102.76	\$(157,203.00)
Randolph	\$3,300,983.23	\$264,078.66	\$132,039.33	\$62,753.42	\$(69,285.91)
Russell	\$11,603,952.16	\$928,316.17	\$464,158.09	\$145,009.62	\$(319,148.47)
St. Clair	\$8,046,435.35	\$643,714.83	\$321,857.41	\$228,941.94	\$(92,915.47)
Shelby	\$78,889,997.48	\$6,311,199.80	\$3,155,599.90	\$534,292.80	\$(2,621,307.10)
Sumter	\$1,627,871.99	\$130,229.76	\$65,114.88	\$37,693.68	\$(27,421.20)
Talladega	\$15,623,569.11	\$1,249,885.53	\$624,942.76	\$225,376.06	\$(399,566.70)
Tallapoosa	\$8,946,675.84	\$715,734.07	\$357,867.03	\$113,976.63	\$(243,890.40)
Tuscaloosa	\$60,117,226.07	\$4,809,378.09	\$2,404,689.04	\$533,117.86	\$(1,871,571.18)
Walker	\$15,990,762.54	\$1,279,261.00	\$639,630.50	\$183,560.53	\$(456,069.97)
Washington	\$2,826,225.88	\$226,098.07	\$113,049.04	\$48,150.30	\$(64,898.74)
Wilcox	\$1,195,935.41	\$95,674.83	\$47,837.42	\$31,961.42	\$(15,876.00)
Winston	\$7,927,937.22	\$634,234.98	\$317,117.49	\$67,056.02	\$(250,061.47)
TOTAL	\$ 1,494,379,747.23	\$119,550,379.78	\$ 59,775,189.89	\$ 13,090,594.00	\$ (46,684,595.89)
Online Sales/Total Retail	8.00%				
Additional Tax	\$ 119,550,379.78				

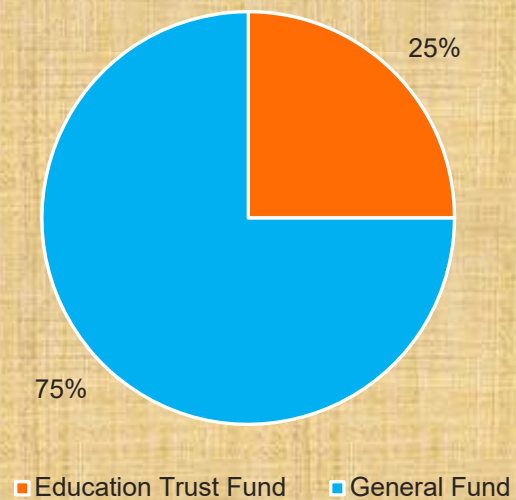
Comparison of General Fund/Education Trust Fund for Remote Sellers

4% State Rate

Historical
Tax Allocation



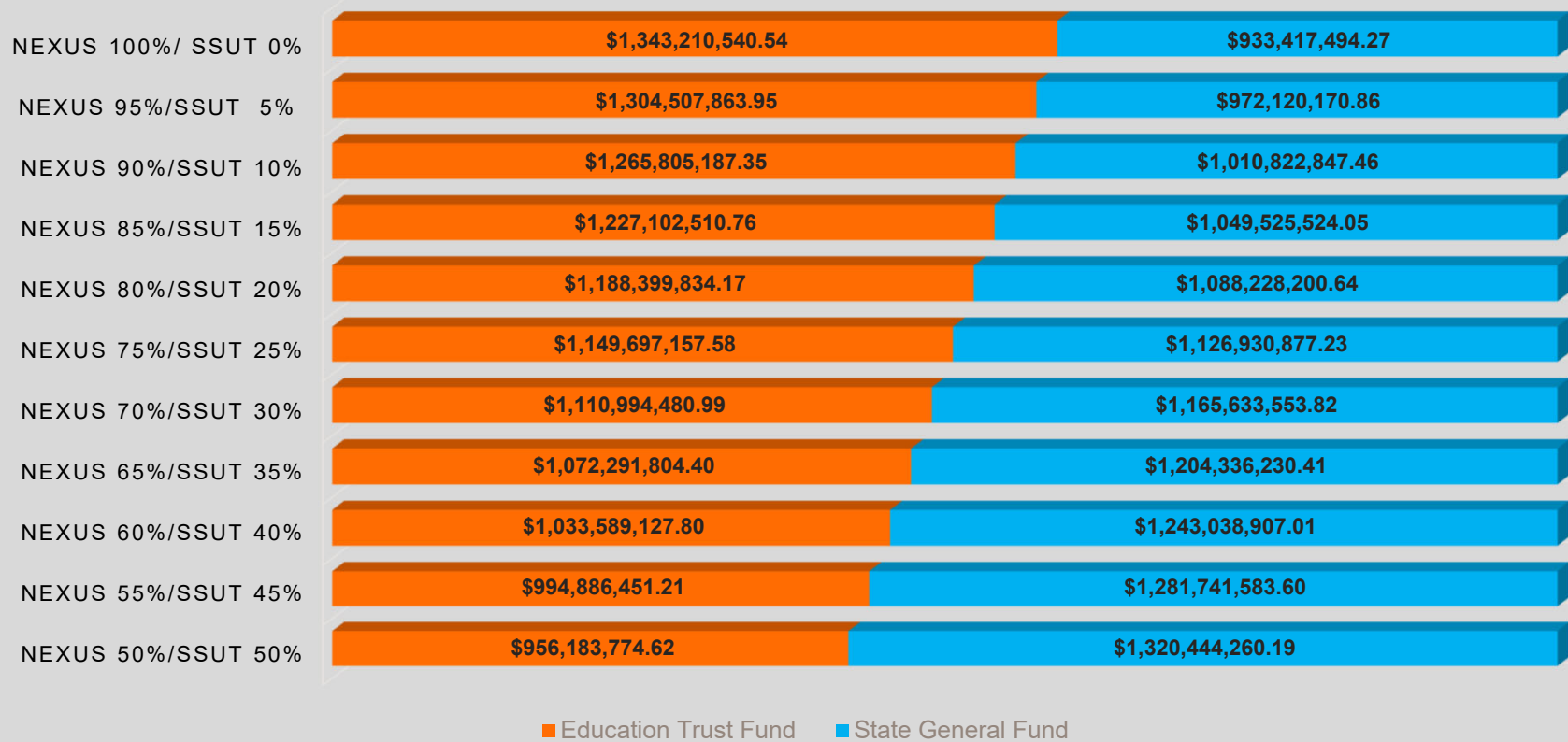
SSUT
Tax Allocation



Education Trust Fund is reduced (58-25) 33% for all SSUT members(Amazon, Wayfair, etc).

Education Trust Fund Shrinkage

* Based on FY: October 2016 – September 2017 Sales Revenue



Can Education Afford a \$38 Million LOSS

ETF Shrinking Due to Online Sales

FY: OCT 1 2016 - Sep 30 2017

Prior to the SSUT	Sales Tax Collected	Education Trust Fund	State General Fund	
Sales Tax	\$ 2,276,628,034.81	\$ 1,343,210,540.54	\$ 933,417,494.27	
After SSUT		Education Trust Fund	State General Fund	Education Trust Fund Net loss
Nexus 100%/SSUT 0%	\$ 2,276,628,034.81	\$ 1,343,210,540.54	\$ 933,417,494.27	\$ 0.00
Nexus 95%/SSUT 5%	\$ 2,276,628,034.81	\$ 1,304,507,863.95	\$ 972,120,170.86	\$ (38,702,676.59)
Nexus 90%/SSUT 10%	\$ 2,276,628,034.81	\$ 1,265,805,187.35	\$ 1,010,822,847.46	\$ (77,405,353.18)
Nexus 85%/SSUT 15%	\$ 2,276,628,034.81	\$ 1,227,102,510.76	\$ 1,049,525,524.05	\$ (116,108,029.77)
Nexus 80%/SSUT 20%	\$ 2,276,628,034.81	\$ 1,188,399,834.17	\$ 1,088,228,200.64	\$ (154,810,706.36)
Nexus 75%/SSUT 25%	\$ 2,276,628,034.81	\$ 1,149,697,157.58	\$ 1,126,930,877.23	\$ (193,513,382.95)
Nexus 70%/SSUT 30%	\$ 2,276,628,034.81	\$ 1,110,994,480.99	\$ 1,165,633,553.82	\$ (232,216,059.54)
Nexus 65%/SSUT 35%	\$ 2,276,628,034.81	\$ 1,072,291,804.40	\$ 1,204,336,230.41	\$ (270,918,736.13)
Nexus 60%/SSUT 40%	\$ 2,276,628,034.81	\$ 1,033,589,127.80	\$ 1,243,038,907.01	\$ (309,621,412.72)
Nexus 55%/SSUT 45%	\$ 2,276,628,034.81	\$ 994,886,451.21	\$ 1,281,741,583.60	\$ (348,324,089.31)
Nexus 50%/SSUT 50%	\$ 2,276,628,034.81	\$ 956,183,774.62	\$ 1,320,444,260.19	\$ (387,026,765.90)

For every 5% increase to SSUT there is a net loss of \$38,702,676.59 to the Education Trust Fund

Tuscaloosa County Special Tax Board Historical Collections

Established Act No. 56 of 1953 Regular Session

Agencies Receiving funds

Tuscaloosa County Board of Education	25%
City of Tuscaloosa Board of Education	20%
City of Tuscaloosa	19%
Tuscaloosa County Commission	14.3%
Road Improvement Commission	10%
Druid City Hospital	6.7%
City of Northport	5%

Effect of Simplified Sellers Use Tax

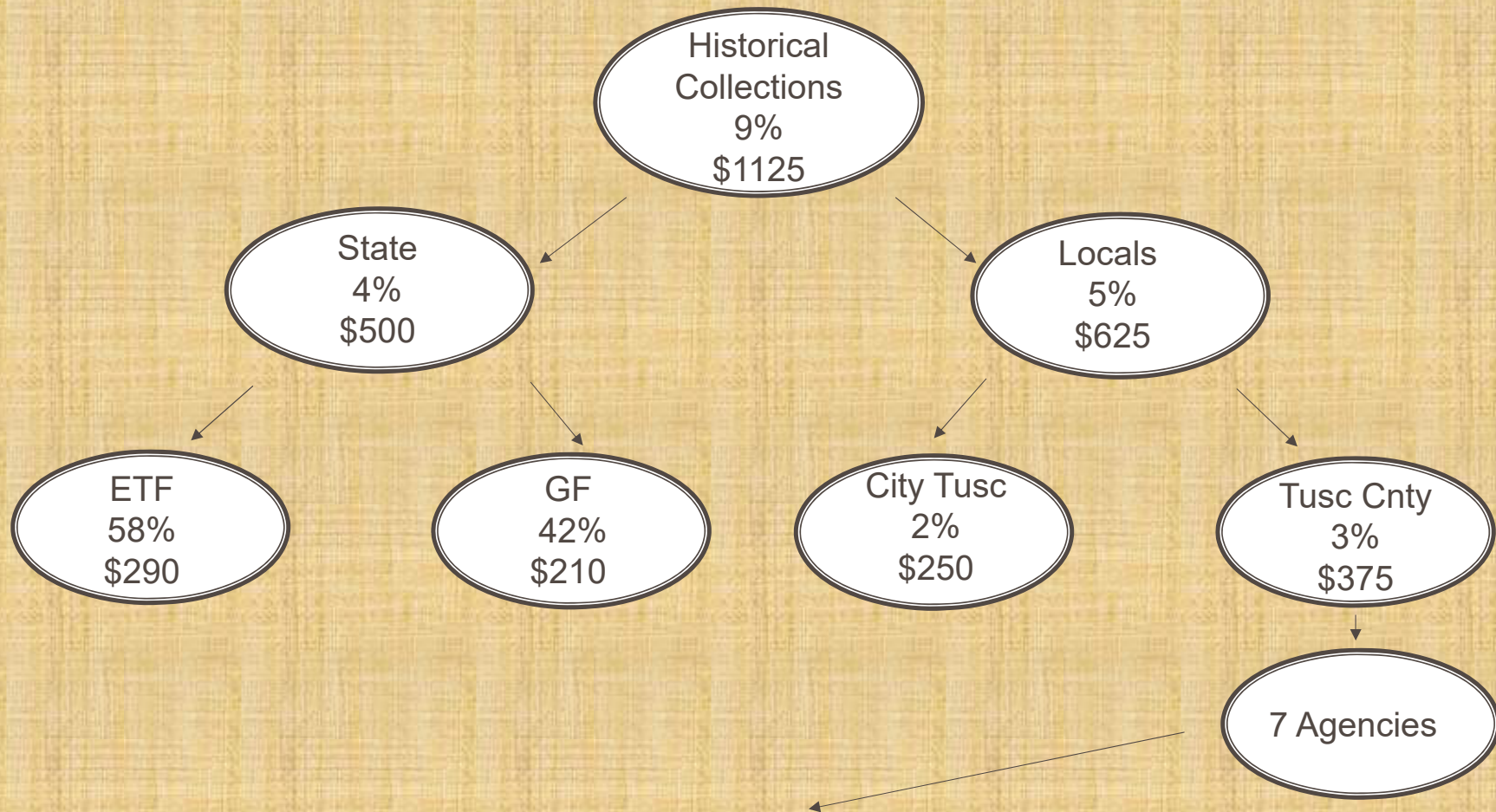
Tuscaloosa County Special Tax Board

Established Act No. 56 of 1953 Regular Session

Agencies Receiving funds

Tuscaloosa County Board of Education	6 %
City of Tuscaloosa Board of Education	10 %
City of Tuscaloosa	4 %
Tuscaloosa County Commission	18.98% of original 14.3%
Road Improvement Commission	10 %
Druid City Hospital	6 %
City of Northport	9 %

\$12,500 Sale in Tuscaloosa County
Current Distribution \$1125 tax Prior SSUT



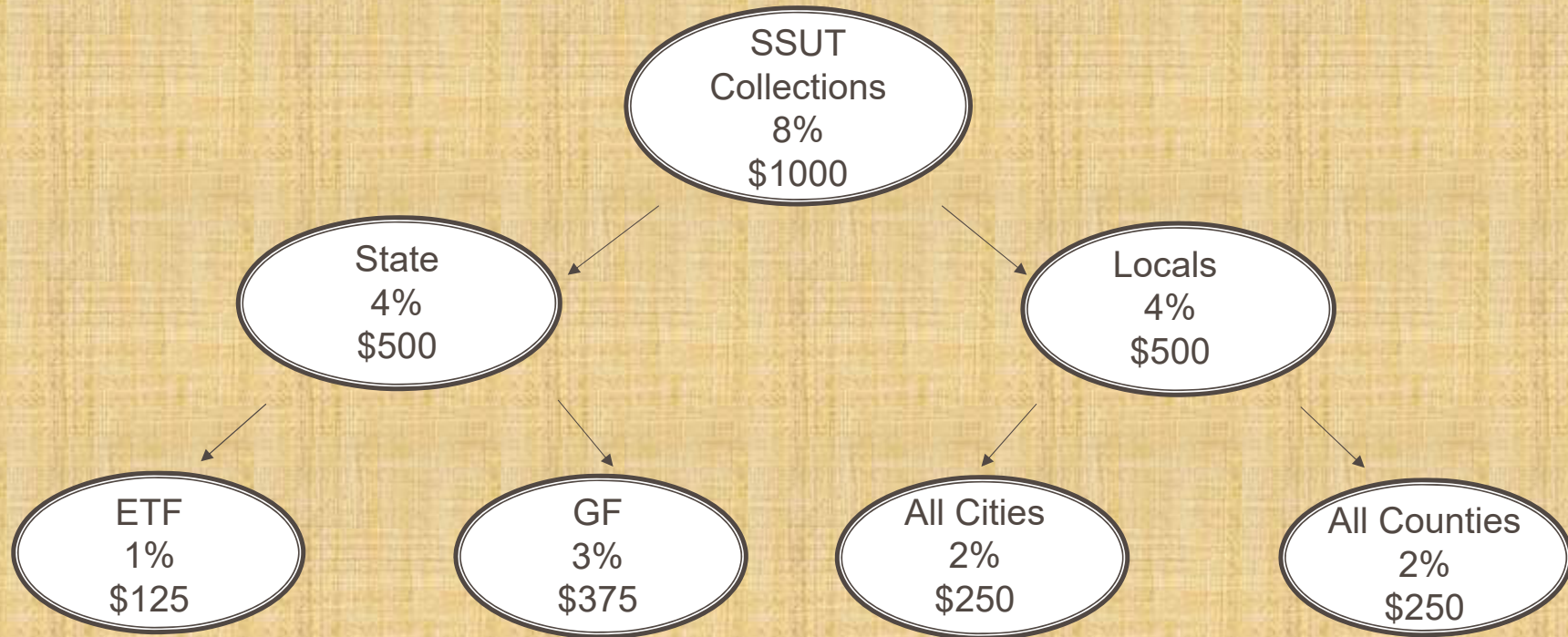
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Tuscaloosa County Distribution to Agencies

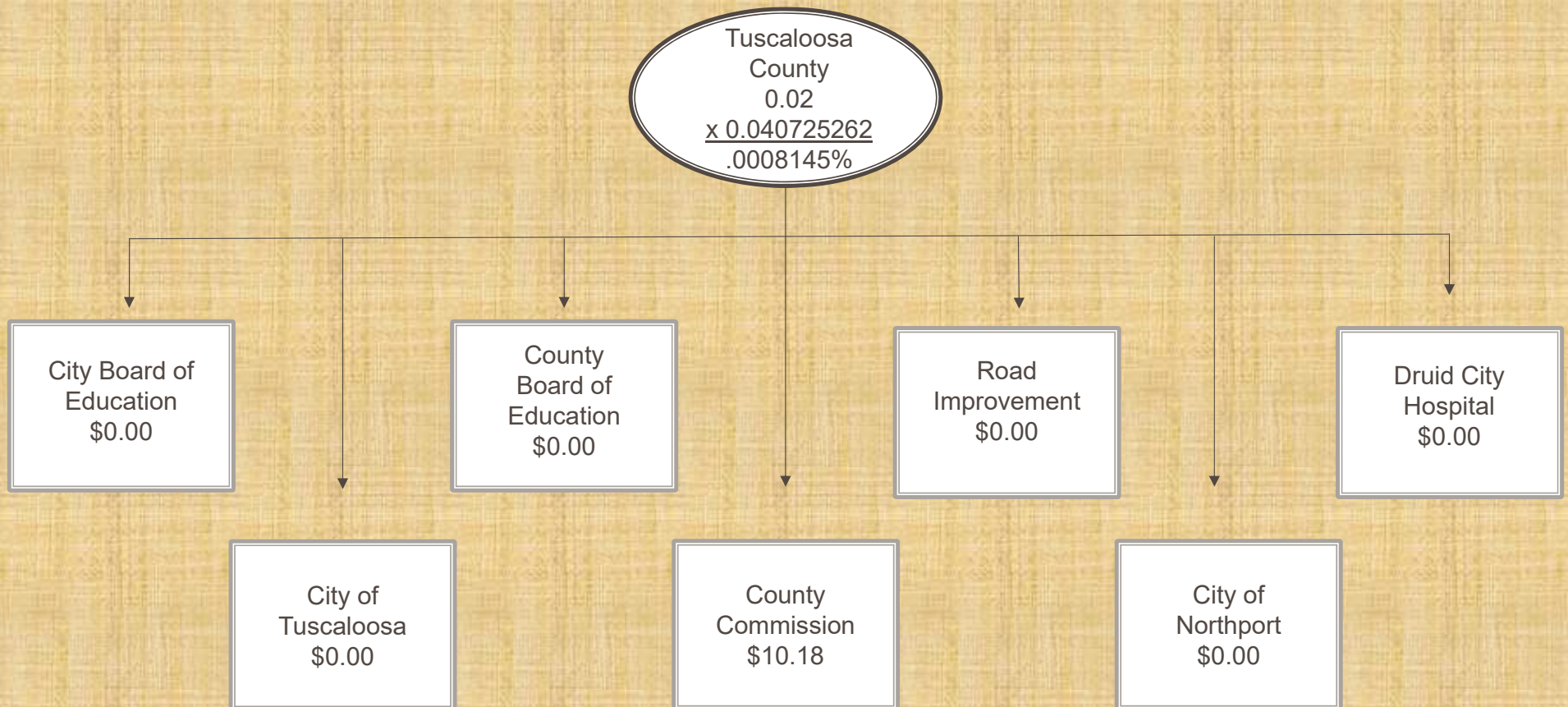


\$12,500 Sale in Tuscaloosa County

Distribution of 8% for \$1000 tax per SSUT



Tuscaloosa County Distribution Through SSUT





COLORADO
Department of Revenue
Taxation Division

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Information for out-of-state retailers

Update: This page was updated Jan. 3 with an additional FAQ. Please check back for updates.

Grace period and key facts

As a result of the Supreme Court South Dakota vs Wayfair decision, the state of Colorado will now collect state sales tax and state-collected local and special district sales tax from out-of-state retailers. Out-of-state retailers are considered those that do not have a physical presence in Colorado. Out-of-state retailers must get a state of Colorado Sales Tax license in order to collect and remit sales tax. The first day to start collecting and remitting sales tax is Dec. 1, 2018, for those retailers who have received their license prior to that date. Out-of-state retailers are not required to collect sales tax on sales before the first day of the month following the issuance of their sales tax license.

Don't forget to watch our [video on how to register for Revenue Online](#).



COLORADO
Department of Revenue
Taxation Division

Presented by the Taxation Division of the Colorado Department of Revenue - November 2018

This presentation is intended to provide general information concerning Colorado tax topics in simple and straightforward language. Although we have done our best to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. We recommend consulting with a tax professional for your specific tax situation.

Frequently Asked Questions

+ Who must apply?

+ How do I apply for a Colorado sales tax license?

+ What if I already have a Retailers Use tax account but don't have a sales tax account

- What local sales tax do I need to collect in addition to state sales tax?

Local and special district sales tax due is generally based on the rates that apply for the destination address of the taxable good or service purchased. The form [Colorado Sales/Use Tax Rates \(DR 1002\)](#) lists city, county and special district sales taxes that are collected by the state. Home Rule Cities for which the State does not collect local sales tax should be contacted directly. The form lists the home rule cities that are self collected and how to contact them.

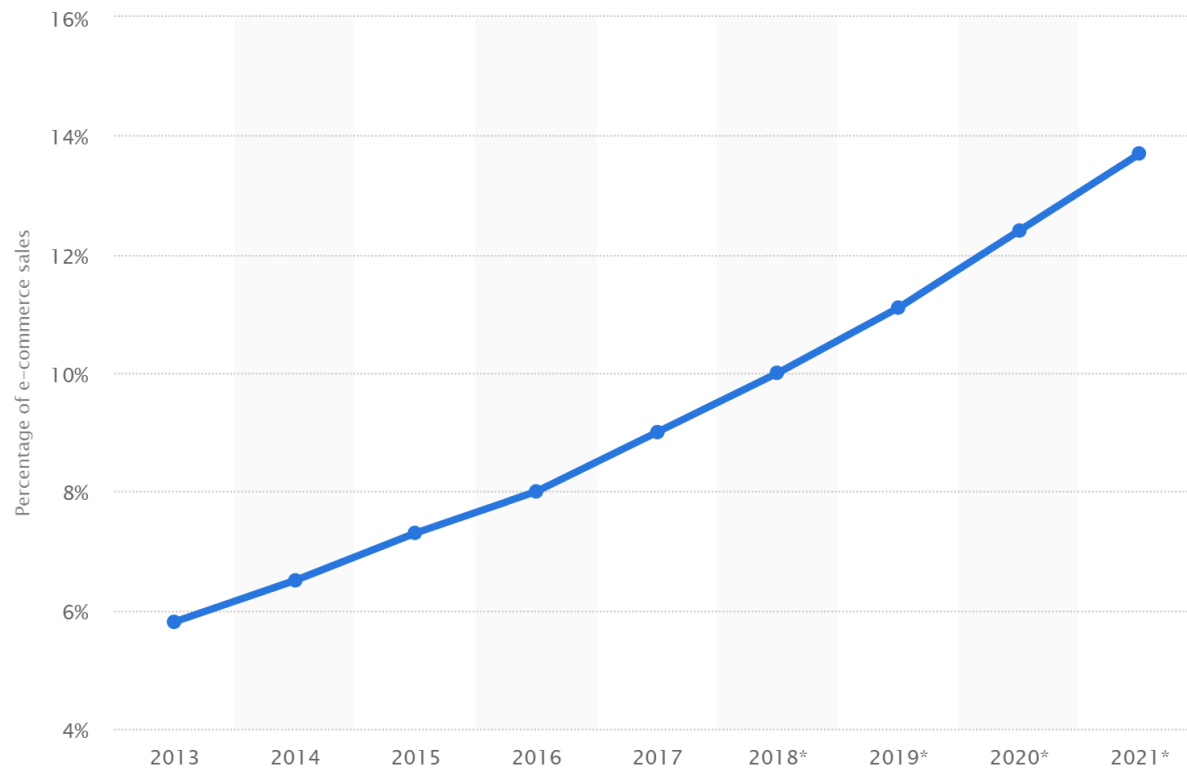
There are [certified address database providers](#) that have taxing information by address. These provider services have been certified by the Department as accurate. Taxpayers who use these certified databases will not be liable for sales and use tax otherwise owed to the State of Colorado and state-collected municipalities, counties and special districts if the database incorrectly designates the jurisdictions to which tax is owed on the sale, storage, use or consumption of taxable tangible personal property or services. This is the "hold harmless" provision in Colorado statute.



E-Commerce > B2C E-Commerce > United States: e-commerce share of retail sales 2013-2021

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E-commerce share of total retail sales in United States from 2013 to 2021



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SETTINGS

SHARE



PNG



PDF



XLS



PPT



DESCRIPTION

SOURCE

MORE INFORMATION

Region

United States

Survey time period

2013 to 2017

Special properties

including services

Supplementary notes

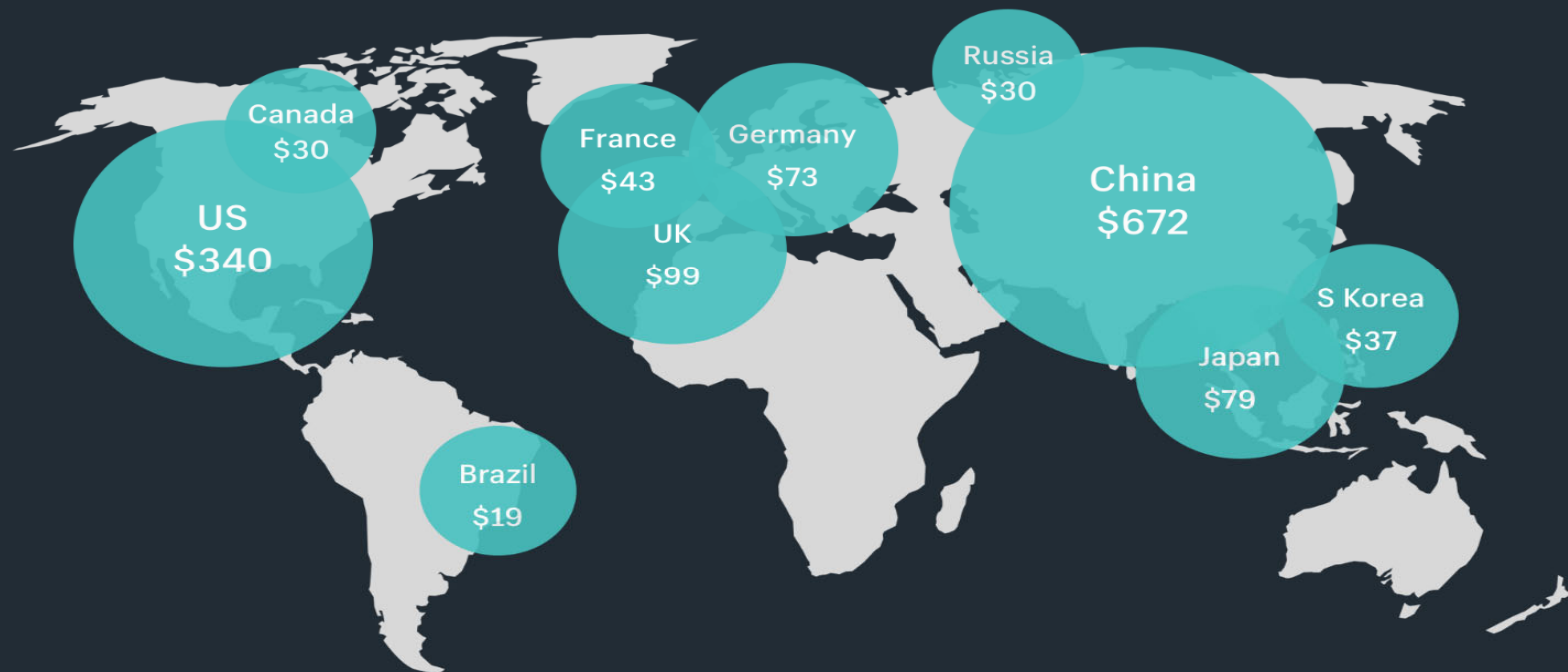
* Forecast

Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets. 2013 to 2015 data from previous publications.


10 largest ecommerce markets

By billions of USD


*shopify*plus



Data and image via [The Enterprise Guide to Global Ecommerce](#)



Streamlined Sales Tax
Governing Board, Inc.

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Remote Seller Guidelines

Many states have enacted economic nexus laws that require remote sellers to collect and remit sales tax if they exceed certain thresholds. If you have a physical presence in a state, you are not a Remote Seller and are required to register in that state regardless of the amount of sales.

Are you a Remote Seller? A Remote Seller is generally a seller that sells products or services for delivery into a state in which that seller does not have a physical presence or other legal requirement to be registered other than because they exceed the state's economic nexus threshold.

If you are a remote seller and your sales of products for delivery into a state meet or exceed the threshold for a state, you are required to register to collect and remit sales tax for that state.

Economic nexus laws apply to any business that makes sales into states in which they have no physical presence but meet the state's sales and/or transactions thresholds.

This chart provides you a summary of the Remote Seller thresholds and compliance dates as of December 4, 2018.

Items to note when reviewing the requirements:

- Many states base their threshold on sales OR transactions, while some states base their threshold on sales AND transactions.
- A state may base its sales threshold on gross sales, gross revenues, retail sales or taxable sales. Many states do not distinguish between taxable and non-taxable sales when determining if a threshold is met.

If you know that you will be making sales into a state, you may choose to register to collect and remit that state's sales tax at any time.

IMPORTANT NOTE: This is general guidance and is not legal advice. Nothing in this chart overrides an individual state's laws. For specific state guidance, [contact that state](#).

Locals in a Post Wayfair World

- How other States apply Local tax since U.S. Supreme Court ruling?
 - **Nevada** – A seller must now collect and remit both state and local sales and use tax on sales made into Nevada
 - **California** – Remote retailers who exceed \$100,000 or 200 separate transactions into a district taxes. District taxes consist sales and use taxes imposed by cities, counties, and other local jurisdictions added to the state base sales and use rate.
 - **Arkansas** – Remote sellers registered for Arkansas sales or use tax must collect the applicable county and/or sale use tax
 - **South Carolina** – out-of-state retailer who has nexus with South Carolina must collect and remit to the Department local sales and use tax for each local jurisdiction where its products are delivered

[Complete Rules by State for Online Sales Collections](#)

Revenue Department Website	Sales Tax Division	Sales Tax Customer Service	Sales Tax Registration	State Tax Rate	Has Local Jurisdiction Taxes	Tax Rates	Sales Tax Lookup	What's Taxable	What's Exempt	Streamlined Member State Information
Alabama	Sales Tax	(334) 242-1490 Help Request	AL Registration	4%	Yes	AL Rates	AL Tax Lookup			
Alaska	Sales Tax	(907) 269-4501	AK Registration	0%	Yes					
Arizona	Sales Tax	(602) 255-3381	AZ Registration	5.6%	Yes	AZ Rates	AZ Tax Lookup			
Arkansas	Sales Tax	(501) 682-1895 Email AR	AR Registration	6.5%	Yes	AR Rates	AR Tax Lookup			AR
California	Sales Tax	(800) 400-7115	CA Registration	7.25%	Yes	CA Rates	CA Tax Lookup			
Colorado	Sales Tax	(303) 238-7378	CO Registration	2.9%	Yes	CO Rates	CO Tax Lookup			
Connecticut	Sales Tax	(860) 297-5962 Email CT	CT Registration	7.75%	None	CT Rates	CT Tax Lookup	Taxable	Exempt	
Delaware	Sales Tax	(302) 577-8780 Email DE	DE Registration		None	DE Rates				
District of Columbia	Sales Tax	(202) 727-4829	DC Registration	5.75%	None	DC Rates				
Florida	Sales Tax	(850) 488-6800 Email FL	FL Registration	6%	Yes	FL Rates	FL Tax Lookup	Taxable	Exempt	
Georgia	Sales Tax	(877) 423-6711	GA Registration	4%	Yes	GA Rates				GA
Hawaii	Sales Tax	(808) 587-4242 Email HI	HI Registration	4%	None	HI Rates				
Idaho	Sales Tax	(800) 972-7660 Email ID	ID Registration	6%	Yes	ID Rates				
Illinois	Sales Tax	(800) 732-8866 Help Request	IL Registration	6.25%	Yes	IL Rates	IL Tax Lookup			
Indiana	Sales Tax	(317) 233-4015 Help Request	IN Registration	7%	None	IN Rates				IN

Indiana	Sales Tax	(317) 233-4015 Help Request	IN Registration	7%	None	IN Rates				IN
Iowa	Sales Tax	(800) 367-3388	IA Registration	6%	Yes	IA Rates	IA Tax Lookup			IA
Kansas	Sales Tax	(785) 368-8222 Email KS	KS Registration	6.5%	Yes	KS Rates	KS Tax Lookup			KS
Kentucky	Sales Tax	(502) 564-5170 Help Request	KY Registration	6%	None					KY
Louisiana	Sales Tax	(855) 307-3893 Help Request	LA Registration	4.45%	Yes	LA Rates				
Maine	Sales Tax	(207) 624-9693 Email ME	ME Registration	5.5%	None	ME Rates				
Maryland	Sales Tax	(410) 260-7980 Email MD	MD Registration	6%	None	MD Rates				
Massachusetts	Sales Tax	(800) 392-6089 Help Request	MA Registration	6.25%	None					
Michigan	Sales Tax	(517) 636-6925	MI Registration	6%	None	MI Rates				MI
Minnesota	Sales Tax	(800) 657-3777 Email MN	MN Registration	6.875%	Yes	MN Rates	MN Tax Lookup			MN
Mississippi	Sales Tax	(601) 923-7700 Help Request	MS Registration	7%	Yes	MS Rates				
Missouri	Sales Tax	(573) 522-1160 Email MO	MO Registration	4.225%	Yes	MO Rates				
Montana	Sales Tax	(406) 444-6900 Help Request	MT Registration	0%	None					
Nebraska	Sales Tax	(800) 742-7474 Help Request	NE Registration	5.5%	Yes	NE Rates	NE Tax Lookup			NE
Nevada	Sales Tax	(866) 962-3707	NV Registration	6.85%	Yes	NV Rates				NV
New Hampshire		(603) 230-5000	NH Registration	0%	None					
New Jersey	Sales Tax	(609) 292-6400 Help Request	NJ Registration	6.625%	None	NJ Rates				NJ
New Mexico	Sales	(505) 827-0700	NM	5.125%	Yes	NM	NM Tax			

California (Local)

Beginning April 1, 2019, retailers located outside of California are required to register with the California Department of Tax and Fee Administration (CDTFA), collect the California use tax, and pay the tax to the CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state. The new collection requirement applies to a retailer if during the preceding or current calendar year:

- The retailer's sales into California exceed \$100,000, or
- The retailer made sales into California in two hundred (200) or more separate transactions.

The new collection requirement is pursuant to Revenue and Taxation Code (RTC) [section 6203](#) (section 6203) (Stats. 2011, ch. 313, § 3) and the U.S. Supreme Court's June 21, 2018, decision in *South Dakota v. Wayfair, Inc. (Wayfair)* (Dock. No. 17-494).

The new collection requirement will apply to taxable sales of tangible personal property to California consumers on and after April 1, 2019, and is not retroactive. Retailers reaching either of the above sales thresholds are now required to register with the CDTFA to collect the California use tax even if they were not previously required to register. These retailers include retailers that sell tangible goods for delivery into California through the Internet, mail-order catalogs, telephone, or any other means.

For more information about the effect of the *Wayfair* decision on the California state, local and district use tax collection requirements, see below.

Open All

Close All

⊕ California Sales and Use Tax

Sales tax is imposed on retailers, and generally applies to the retailers' gross receipts from their retail sales of tangible personal property made within California.

⊕ Collection of California State Use Tax

Even though use tax is owed by consumers, RTC section 6203 requires retailers who are "engaged in business in this state" to collect the California use tax owed on their sales to California consumers and remit the tax directly to the CDTFA.

⊕ Collection of Local Use Tax

The current statewide California sales and use tax rate of 7.25 percent includes the rates of the 1.25 percent local use taxes imposed throughout California under the Bradley-Burns Uniform Sales and Use Tax Law.

⊕ Collection of District Use Tax

The total sales and use tax rate is not the same throughout California. Total sales and use tax rates may be higher than the 7.25 percent statewide base rate in areas where there are voter-approved district taxes.

⊕ New District Use Tax Collection Requirement for In-State and Out-of-State Retailers Due to *Wayfair* Decision

As previously explained, beginning April 1, 2019, a new district use tax collection requirement pursuant to the *Wayfair* decision applies to both in-state and out-of-state retailers.



News Release

For immediate release

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Colorado to require online retailers to collect sales tax

Out-of-state retailers will be required to collect state sales tax at the point of sale

September 11, 2018 - DENVER, Colo. - The Colorado Department of Revenue will require out-of-state retailers who do business in Colorado to obtain a state sales tax license.

The change is a result of the U.S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.*, which struck down the requirement that a retailer have a physical presence in a state in order to be required to collect and remit sales tax.

"Tax collection at the point of sale eases the process for our residents and creates a level playing field for Colorado businesses, as out-of-state retailers will be required to collect state sales tax, just as in-state retailers do today" Colorado Department of Revenue Executive Director Michael Hartman said.

Guidance for out-of-state retailers will be provided by administrative rule and will be consistent with the court's decision, including prospective application and a small-seller exception for retailers whose in state sales of products do not exceed \$100,000 or 200 transactions annually.

"The Department will ensure fair, efficient and transparent implementation of this decision," Hartman said. "We will pave the least burdensome road possible for businesses to comply with these regulations."

Out-of-state retailers can register for a Colorado sales tax license starting November 1, 2018 by visiting www.Colorado.gov/Tax/Sales-Tax-Changes. The deadline to register for out-of-state retailers who do not meet the small-seller exception is November 30, 2018. Out-of-state retailers are not required to collect sales tax on sales prior to the registration deadline.

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States With Online Sales Tax Laws

<u>State</u>	<u>Minimum Sales Threshold</u>	<u>State</u>	<u>Minimum Sales Threshold</u>
Idaho	\$10,000	New Jersey	\$100,000 or 200 Transactions
Oklahoma	\$10,000	North Carolina	\$100,000 or 200 Transactions
South Carolina	\$100,000	South Dakota	\$100,000 or 200 Transactions
Mississippi	\$250,000	Colorado	\$100,000 or 200 Transactions
Alabama	\$250,000	Arkansas	\$100,000 or 200 Transactions
Tennessee**	\$500,000	Iowa	\$100,000 or 200 Transactions
Rhode Island*	\$100,000 or 200 Transactions	Louisiana	\$100,000 or 200 Transactions
Hawaii	\$100,000 or 200 Transactions	Nebraska	\$100,000 or 200 Transactions
Washington*	\$100,000 or 200 Transactions	Utah	\$100,000 or 200 Transactions
Maine*	\$100,000 or 200 Transactions	West Virginia	\$100,000 or 200 Transactions
Vermont	\$100,000 or 200 Transactions	California	\$100,000 or 200 Transactions
Illinois	\$100,000 or 200 Transactions	District of Columbia	\$100,000 or 200 Transactions
Indiana	\$100,000 or 200 Transactions	Nevada	\$100,000 or 200 Transactions
Kentucky	\$100,000 or 200 Transactions	Connecticut	\$250,000 or 200 Transactions
Maryland	\$100,000 or 200 Transactions	Georgia*	\$250,000 or 200 Transactions
Michigan	\$100,000 or 200 Transactions	Massachusetts	\$500,000 or 100 Transactions
North Dakota	\$100,000 or 200 Transactions	Minnesota	10 Retail Transactions Totaling \$100,000 or 100 Retail Transactions
Wisconsin	\$100,000 or 200 Transactions		

Changes in SSUT

Act 2015-448

- "§40-23-198."(a) *In the event that **a change in federal law, whether it be federal legislation or decision of the U.S. Supreme Court**, removes current federal limitations on states' ability to enforce their sales and use tax jurisdiction against businesses that lack an instate physical presence, the provisions of this act shall be inapplicable as to any eligible seller who is not registered with the department as a participant in the program **at least six months prior to the date of such change in law.***

Act 2016-110

- "§40-23-198."(a) *In the event that ~~a change in federal law, whether it be federal legislation or decision of the U.S. Supreme Court~~, **the enactment of federal legislation** removes current federal limitations on states' ability to enforce their sales and use tax jurisdiction against businesses that lack an instate physical presence, the provisions of this act shall be inapplicable as to any eligible seller who is not registered with the department as a participant in the program **at least six months prior to the date of such change in law.***

State AND Local Tax Due

Section 40-23-190

Conditions for remote entity nexus.

(a) An out-of-state vendor has substantial nexus with this state for the collection of both state and local use tax if:

- (1) The out-of-state vendor and an in-state business maintaining one or more locations within this state are related parties; and
- (2) The out-of-state vendor and the in-state business use an identical or substantially similar name, tradename, trademark, or goodwill, to develop, promote, or maintain sales, or the in-state business and the out-of-state vendor pay for each other's services in whole or in part contingent upon the volume or value of sales, or the in-state business and the out-of-state vendor share a common business plan or substantially coordinate their business plans, or the in-state business provides services to, or that inure to the benefit of, the out-of-state business related to developing, promoting, or maintaining the in-state market.

(b) Two entities are related parties under this section if one of the entities meets at least one of the following tests with respect to the other entity:

- (1) One or both entities is a corporation, and one entity and any party related to that entity in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code owns directly, indirectly, beneficially, or constructively at least 50 percent of the value of the corporation's outstanding stock;
- (2) One or both entities is a limited liability company, partnership, estate, or trust and any member, partner, or beneficiary, and the limited liability company, partnership, estate, or trust and its members, partners, or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50 percent of the profits, or capital, or stock, or value of the other entity or both entities; or
- (3) An individual stockholder and the members of the stockholder's family, as defined in Section 318 of the Internal Revenue Code, owns directly, indirectly, beneficially, or constructively, in the aggregate, at least 50 percent of the value of both entities' outstanding stock.

(Act 2003-390, §1.)

Solutions

- 1) Repeal based on SCOTUS ruling
- 2) Collection based on Remote Sellers passed in 2002-418 (40-23-170)
- 3) Change local distribution to destination not population(Taxation based on destination not population.)
- 4) Allow each County/City a portion based on paved road miles (5% of collections) remainder based on destination
- 5) Myriad (population, gdp, roads miles, land size)
- 6) Recommendations?

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