

TruST

TRUE SIMPLIFICATION OF TAXATION

MINIMUM SIMPLIFICATIONS REQUIRED BY TRUST

States must provide consolidated, certified software for rate lookup, collection, electronic filing, and funds transfer. Users of the software would be immune from state and civil liability for errors in taxes collected.

A single sales tax rate per state for remote sales.

States should compensate businesses for reasonable costs of collecting sales taxes, including purchase and implementation of software.

A single set of definitions for taxable and exempt products and uniform rules – including rounding rules and documentation requirements for exempt purchases – for all states.

A single audit on behalf of all states and local jurisdictions conducted by a single state where the seller has physical nexus, or a designated state in cases where a seller lacks physical nexus in any sales tax state.

There should be a common sales tax return for remote sellers to file.

A single national rule for sourcing sales.

Harmonize sales tax holidays and thresholds, or give remote sellers an optional exemption from participation in sales tax holidays and thresholds.

Allow remote sellers to challenge states in federal district court for disputes on sales tax collection, including whether a state is following congressionally required simplifications.

Preempt and preclude state laws imposing sales tax obligations on businesses with no physical presence in that state.

Collection of sales tax under federal legislation does not create nexus for any other business purpose.

A congressionally-determined exception for small businesses.

IN THE MARKETPLACE FAIRNESS ACT OF 2013?

NO. Each state can provide its own unique software. **AND** each business must pay its own costs to integrate free software into its ordering, fulfillment and accounting systems.

NO. Nearly 10,000 local tax jurisdictions get to keep their own tax rates.

NO. Businesses must meet the new tax burdens without any required compensation.

NO. 46 states can have their own definitions for taxable goods and services and unique definitions for key terms like “sales price.”

NO. 46 states can impose separate audits on any remote seller across the country. So, New York's tax collector gets new powers to audit any retailer in all 50 states.

NO. 46 states get to keep their own unique tax filing forms and rules for electronic filing and funds transfer.

NO. Sourcing of intrastate taxes is up to each state to determine.

NO. Nearly 10,000 local tax jurisdictions can force remote sellers to honor unique sales tax holidays, including caps and thresholds.

NO. There is no authorization of *any* judicial review for a taxpayer's claim that a state fails to meet the simplification required.

NO. Section 6 expressly does not preempt states from asserting state tax nexus through other means.

YES.

YES, BUT many businesses believe the exception is too low.