



Minimum Simplification Requirements

State tax collectors are asking the federal government for unprecedented authority to expand their tax authority far beyond state lines. In return, they ask the American public to trust that they'll voluntarily streamline over 10,000 taxing jurisdictions.

However, for over a decade, when left to their own devices, states have failed to harmonize and simplify their tax systems. For this reason, and because the unprecedented new authority states are seeking will have serious impacts on American businesses, Online Sales Tax supporters should meet all minimum simplification requirements below.

- States must provide 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 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.

Simplify First, Trust Second

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