

Sales/Use Tax PPWG
Phase II
Task Force Four

INFORMATION RETURNS IN LIEU OF COLLECTING USE TAX
Initial Discussion Draft
3/20/98

(1) Any business which:

- (a) does not maintain the permanent presence of one or more employees in the state;
- (b) does not own, lease, or maintain real property within the state; and
- (c) has not collected and remitted use tax on purchases made by its customers within the state during the three year period prior to the enactment of this provision;

may enter into an agreement with the state taxing authority to submit annual information returns, as provided in subsections (2) and (3), to the state taxing authority and each customer within the state rather than collecting and remitting use tax on such transactions.

(2) A business entering into an agreement described in subsection (1) shall file an annual information return with the state taxing authority, in such form and manner prescribed by the state taxing authority, on or before January 31 of the year following the calendar year for which the return is made. Such return shall set forth:

- (a) the name of each customer within the state;
- (b) the mailing address of each customer within the state; and
- (c) the amount of purchases made during the calendar year by each customer within the state.

(3) A business entering into an agreement described in subsection (1) shall provide an annual information return to each customer within the state, by mailing such return to the customer on or before January 25 of the year following the calendar year for which the return is made. Such return shall set forth:

- (a) the name and address of the business providing the return;
- (b) the name of the customer;
- (c) the amount of purchases made during the calendar year by such customer;
- (d) notification that the business was not required to, and did not, collect sales or use tax on such purchases;
- (d) notification that the information is being provided to aid the customer in determining the amount of use tax which may be owed to the state by the customer; and
- (e) notification that the information is being provided to the state taxing authority.

(4) Any agreement entered into under this provision shall terminate if the business subsequently maintains the permanent presence of one or more employees in this state, acquires an ownership or leasehold interest in or otherwise maintains real property within this state, or collects and remits sales or use tax to this state on any of its sales to customers within the state.