

-----Original Message-----

From: Multistate Tax Commission [SMTP:mtc@mtc.gov]

Sent: Tuesday, February 17, 1998 8:56 AM

To: pmines@mtc.gov

Subject: Draft language for Phase II Task Force 5 Item C

>X-Sender: kaye@popd.ix.netcom.com

>Date: Sun, 15 Feb 1998 11:31:06 -0800

>To: merle.buff@aexp.com, pablote@mtc.gov

>From: Kaye Caldwell <kaye@ix.netcom.com>

>Subject: Draft language for Phase II Task Force 5 Item C

>

>===== Draft =====

>Nexus with the transaction: Even though a seller may have nexus with the

>taxing state, if the sale and delivery take place outside the taxing state,

>the taxing state does not have nexus with the transaction and the seller

>does not have an obligation to collect or remit use tax.

>Examples:

>1) Seller has nexus in states A and B. Buyer located in state B comes to

>Seller location in state A, purchases and takes delivery of product.

>Seller collects sales tax of state A (if one applies) in state A. Seller

>has no use tax collection obligation in state B.

>2) Seller has nexus in states A and B. Buyer located in state B sends

>order to Seller location in state A, and accepts delivery of product in

>state A. Seller collects sales tax of state A (if one applies) in state A.

> Seller has no use tax collection obligation in state B.

>

>=====

>Kaye Caldwell, President & Policy Director

>Silicon Valley Software Industry Coalition

>(Web: <http://www.SoftwareIndustry.org/coalition/>)

>Phone: (408) 479-8743 Fax: (408) 479-9247

>E-mail: KCaldwell@SoftwareIndustry.org

>=====

>

>