



MULTISTATE TAX COMMISSION

Working together since 1967 to preserve federalism and tax fairness

To:	Sales and Use Tax Subcommittee
From:	Roxanne Bland, MTC Counsel
Date:	September 30, 2011
Subject:	Project on N.Y.-Style Associate Nexus Statute

At its July 2011 meeting, the subcommittee directed the drafting of a model for a N.Y.-style associate nexus statute with a deminimis provision for small sellers.

The draft model is attached for the subcommittee's consideration.



MULTISTATE TAX COMMISSION

Working together since 1967 to preserve federalism and tax fairness

MTC ASSOCIATE NEXUS MODEL STATUTE

DRAFT 10/11/11

**MTC Sales and Use Tax Subcommittee
For Discussion Purposes Only**

A person making sales of tangible personal property or services taxable under this article ("seller") shall be presumed to be soliciting business through an independent contractor or other representative if the seller enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet website or otherwise, to the seller, if during the preceding year (1) the cumulative gross receipts from sales by the seller to customers in the state who are referred to the seller by all residents with this type of an agreement with the seller is in excess of \$10,000 dollars and (2) the cumulative gross receipts from sales by the seller to all customers in the state is in excess of \$500,000 dollars. This presumption may be rebutted by proof that the resident with whom the seller has an agreement did not engage in any solicitation in the state on behalf of the seller that would satisfy the nexus requirement of the United States constitution during the year in question.