

Suggested Simplification Measures

1.	Tax rates	A single tax rate for remote sales – no greater than a weighted average of state and local rates.
2.	Tax base	Uniform definitions of taxable products, services, and exemptions.
3.	Caps & thresholds	No caps or thresholds on taxable value of goods or services.
4.	Transaction terms	Uniform definitions of sales price, delivery charges, etc.
5.	Refunds and discounts	Uniform rules for refunds, returns, discounts, and coupons.
6.	Returns and tax remittance	Uniform return and electronic remittance form. Establishment of a multi-state remittance clearinghouse by 2021.
7.	Rounding and bad debts	Uniform rule for rounding and for treatment of bad debts.
8.	Tax holidays	Uniform dates and rules for sales tax holidays.
9.	Exempt and direct-pay rules	A single Compliant Purchaser Certificate (e.g., sale-for-resale, exempt purchaser, etc.).
10.	Audit of sellers	Single audit on behalf of all participating states at option of seller.
11.	No pay-to-play condition on appeal of tax assessments	Appeals of assessments through state court system without requiring prior payment of assessed amount.
12.	Voluntary, non-binding, independent mediation	At taxpayer’s option, a non-binding independent ADR “evaluative mediation” of taxpayer protest.
13.	Definition of “physical presence”	Precise definition of “physical presence” to avoid disputes over who is a remote seller and what constitutes a remote sale.
14.	Protection from retroactive taxation	No imposition of back-taxes on a remote seller who lacked the federal statutory definition of “physical presence.”
15.	Certification of participating states	Annual certification by an independent federal agency of state compliance with simplification measures.
16.	Preemption of state mandates on remote businesses	No state or local tax authority may impose sales tax, gross receipts tax, or sales reporting obligation on a seller lacking federal statutorily defined “physical presence” except as provided in the federal legislation.
17.	Vendor compensation	Vendor discount reflecting the true cost of sales tax collection and remittance.
18.	Judicial review	Federal district court exclusive jurisdiction over claims relating to non-compliance with simplification provisions of federal legislation.
19.	Small Business Exception	Reasonable small business exception.
20.	Payment by mail order and check	Vendor protection from consumer error in computing sales tax.