

MTC Use Tax Information Reporting Work Group Teleconference

As of May 31, 2017

1. Include marketplace sellers, like E Bay, in definition of remote seller? Should transactional notice be provided by vendor or marketplace? Colorado placed the obligation on the seller but MTC is not so constrained. Should annual notice be provided by the vendor? Is there a substantial risk of double reporting?

DECISION: Marketplace facilitators should be included in the definition of remote sellers. The responsibility for providing the consumer with both the transactional and the annual notice should be placed on the marketplace facilitator. For purposes of use tax information reporting, a “marketplace facilitator” is a marketplace that provides check out services in conformity with the NCSL model.

2. Where should seller of digital goods report if it has incomplete or conflicting information regarding the consumer’s location? Colorado requires the bill-to address be used if available, then any method that appropriately reflects the market. Should the MTC model require location of use as the primary rule, then bill-to address?

DECISION: The model should allow the seller of digital goods to use any commercially reasonable method of sourcing the sale for reporting purposes.

3. Expand scope of model – short-term rental properties (Air B&B)? Or leave this issue for future consideration?

DECISION: The issue of how the reporting requirements should apply to a sale of services should be left for future consideration.

4. Which entity has the reporting obligation when seller is a member of a controlled group? Does it matter?

5. Should there be a de minimis reporting threshold for small vendors? Should that de minimis threshold be different for the transactional as opposed to the annual notice and reporting requirements? Should there be alternatives (i.e., links to more detailed notices elsewhere on the seller’s website) if technological limits such as a maximum number of characters preclude the seller from providing all the required information for the transactional notice?

6. Lookback period following business acquisitions? Use of voluntary disclosures or penalty waivers in such situations?

7. Should business to business sales be included in the model, or should the model be limited to consumer sales?