MULTISTATE TAX COMMISSION

Sales Taxation of Digital Products

Discussion Draft

NOTE – This Introduction Section is likely to be revised as other sections of the white paper are drafted, but is provided as background for those reviewing those other sections.

July 15, 2026

Important Notes on this White Paper

Drafts

Drafts of this white paper's sections are being issued for review and comment by the work group and members of the public. The current version of the draft will be noted. At the end of that process we will issue a compiled version for recommendation to the Uniformity Committee.

References to State Law

This white paper contains references to existing state rules and other resources which have been used and discussed as part of the project over its five-year term. This information serves to show the different approaches states may take when addressing various issues and to help states understand the practical effects of these different approaches.

This white paper and the information on state law it contains is not meant to serve as a comprehensive guide to current state tax rules or as advice to persons seeking to comply with those existing state rules.

Introduction – Purpose & Process

See also the project web page on the MTC website here: **Project Page**

Purpose

The purpose of this white paper is to assist policymakers who are considering including digital products in the state sales tax base and provide information on:

- Practical, constitutional, and statutory limitations on state sales taxes;
- Ways of defining digital products or categories of products;
- Sourcing digital products and granting use tax credits;
- Exempting certain digital products from tax;
- Applying general bundling rules to transactions involving digital products; and
- Other related administrative and compliance issues.

Process

This MTC uniformity project began in 2021. It was proposed by Washington state and reviewed by the Uniformity Committee's standing subcommittee. The committee approved the project to study how state sales taxes can be applied to digital products and to draft a white paper by:

- Conducting stakeholder interviews with taxpayers, practitioners, academics, and states;
- Drafting an issue outline based on that stakeholder information;[1]
- Establishing a work group to take state and public input and study certain issues in detail;
- Capturing information in a "digital outline" with separate topic pages (see project page); and
- Drafting sections of the white paper for review and comment.

The project has also received valuable input from other state groups including the Federation of Tax Administrators, the National Conference of State Legislatures, and especially the Streamlined Sales and Use Tax Governing Board (Streamlined) and its staff.

[1] The final version of the issue outline, which also contains an appendix summarizing the stakeholders and their responses, is available here: https://www.mtc.gov/wp-content/uploads/2023/02/Draft-Detailed-Digital-Outline-Final-for-8-2-22-Meeting.pdf.

Table of Contents

Important Terminology

This white paper uses the terms here as defined:

Term	As Used in this White Paper:
Digital Products	Unless otherwise specifically defined—includes all categories of digital items including items that may be designated as goods, services, or other items.
Sales Tax	A U.S. state tax broadly based on transactions between sellers and buyers where the tax is computed on the value of the transaction and generally collected by the seller from the buyer whether or not legally imposed on the buyer. Various types of items (tangibles, intangibles, services, etc.) and transactions (sales, leases, licenses, subscriptions, etc.) may be subject to the tax. States may use different names for their sales tax and may legally impose the tax on the buyer or the seller.[2] The rate of tax often includes both state and local taxes.
Use Tax	A tax imposed on the buyer when the sales tax has not been collected or paid by the seller on a taxable transaction (sometimes called a "compensating use tax"). The tax rate is generally the same as the applicable sales tax. The tax may also be imposed on items imported into the state, with a credit for any sales or use tax paid to another state.
Seller and Sale - Generally	When used generally in the context of the sales tax, these terms include any person that provides items (goods, services, intangibles, etc.) to a customer and any type of transaction in which they are provided (sale, lease, license, subscription, etc.).
Business Activity or Gross Receipts Tax	A tax imposed on a business based on the total amount of its in-state transactions (with or without certain exemptions), typically using a single tax rate. These taxes are typically not collected from the buyer.
Excise Tax	A tax imposed only on specific goods or services and which is separate from any general sales tax (e.g., taxes on alcohol, fuel, vehicles, etc.).
B2B	Refers broadly to transactions where the customer is a business and will use the item purchased in its business.

[2] For examples of states that impose tax on the seller, see New Mexico and Hawaii.

MTC
Multistate Tax Commission

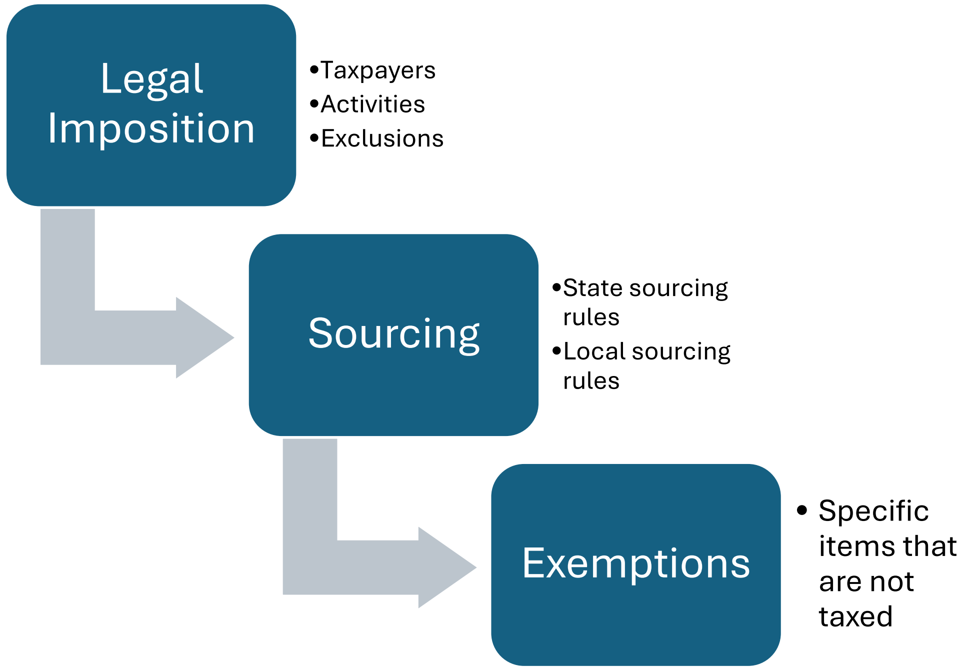
Sales & Use Tax Framework

State sales tax systems vary, including in the terminology they use, but there are also shared elements:

Element	How it Works:
Legal Imposition & General Definitions -	Tax laws generally start with a statute generally imposing tax on certain events or activities conducted by certain taxpayers. Sales tax imposition statutes have three basic elements:
- **Activities**	The sales tax is typically imposed on transactions (sales, leases, etc.) involving tangible personal property and other specifically enumerated items. A minority of states impose the tax more broadly on all services and/or intangibles.
- **Taxpayers**	In most states, the sales tax is legally imposed on the customer or buyer, but will also contain provisions requiring the tax to be collected by the seller or other intermediary (see below). A minority of states impose the sales tax on the seller.
- **Exclusions**	Certain types of receipts or transactions may be explicitly excluded from transactions or amounts on which tax is generally imposed—e.g., certain service fees, interest, etc. These exclusions are typically broad and require no information from customers.
Sourcing Rules	Because sales taxes include local rates, there must be specific rules for sourcing the sale to a particular location. While interstate sales have typically been sourced to the location of the customer, there has been some variation among states on how in-state sales are sourced.
Exemptions - Criteria	States typically provide a number of exemptions based on different types of criteria. These exemptions often require buyer documentation—including exemption certificates.
- **Item**	Exemptions based on the nature of the item.
- **Transaction**	Exemptions based on the nature of the transaction.
- **Buyer**	Exemptions based on who the buyer or customer of the transaction is.
- **Use**	Exemptions based on how the buyer will use the item.
- **Other**	Exemptions based on other criteria such as tax holidays.
- **Multiple**	Exemptions based on two or more criteria.

Tax Rates	Sales and use tax rates may include both state and local government taxes, which are generally combined and charged and collected in a single amount. States then distribute the tax to local governments.
Credit for Tax Paid	Buyers who owe use tax in a state for items acquired outside that state can claim a credit against that tax for sales or use tax properly collected or paid to another state.

Sales Tax Framework



Executive Summary

It is not possible to make this white paper a definitive "snapshot" in time of the detailed treatment by all states of digital products under their different tax systems.

What the white paper does and does not cover:

Topics addressed:

Topics not addressed:

- Details of exactly how states currently define (and interpret their definitions) or actually tax (after considering exemptions) particular digital items—
    - This is the realm of the CSPs – which states work with to provide taxpayers with detailed information
    - Products change and this may impact the application of definitions.
- Other tax base issues
    - Whether traditional services should be in the tax base (instead we assume that states will choose not to—see the proposed definition)
    - Whether sales taxes should also include items subject to other excise taxes
- Exemptions other than those covered above
    - Whether exemptions for particular activities or items are useful incentives
    - Whether excluding certain items an effective way of reducing regressivity
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Key Take-Aways

Sales Taxes are a Product of History

All but five states—Alaska, Delaware, Montana, New Hampshire, and Oregon—have imposed a state-level general sales tax. (In Alaska, the tax is imposed only by local governments.) Even these five states (and their local governments) impose narrower excise taxes on certain goods and services—e.g., fuel taxes, tobacco and alcohol taxes, lodging taxes, and utility taxes.

State and local sales taxes have a unique history which continues to influence their development. This section highlights some important parts of that history

Early 20th Century – State-Centered Sales Tax

The federal government has no general consumption tax, relying instead on income taxes. States adopted sales taxes independently starting in the 1930s. States feared their authority might not extend to any transactions touching on interstate commerce and expected challenges, which soon came.[3] But sales tax revenues proved a fairly stable source of revenue, a bonus for states which must balance their budgets. As a result, there was widespread adoption of these taxes over the next two decades.[4]

In designing their tax systems, states made certain choices that turned out to be critical:

Taxing the Buyer

It appears that the widespread legal imposition of tax on the buyer, presumably resident or at least present in the state, was to ensure that the state would have sufficient jurisdiction.

Use Tax

To curtail tax-avoidance—having residents travel out of state to purchase items where they would not be taxed and bring them back into the state—states imposed use taxes. The use tax was held to be constitutional provided it was imposed consistent with the states' tax on in-state purchases and provided that the state gave a credit for taxes paid to other states.[5]

Requiring Sellers to Charge and Collect Tax

Buyers are typically consumers with little ability to keep and report transaction information. Therefore, sellers are essential to a functioning sales tax system. States generally impose rules requiring sellers to charge, collect, and report the proper amount of tax on each taxable transaction. This transaction-based approach posed potential burdens on sellers, especially as local governments began to impose their own sales tax on these transactions. These burdens would eventually be raised in litigation seeking to restrict states' authority to require sellers to collect tax.

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[3] See *Western Live Stock v. Bureau of Revenue*, 303 U.S. 250 (1938).
[4] See Vivien Lee and David Wessel, "The history and future of the retail sales tax," July 16, 2018, available here: https://www.brookings.edu/articles/the-history-and-future-of-the-retail-sales-tax/.
[5] *Henneford v. Silas Mason Co., Inc.*, 300 U.S. 577 (1937)

Note that it is possible to impose sales tax directly on the seller, which a few states do, along with a separate compensating use tax imposed on the buyer in certain circumstances. This approach can be simpler in that it does not require the seller to compute the tax for each transaction but does require that sellers inform buyers whether they will pay the tax so that buyers can comply with any use tax obligation.[6]

Limiting the Tax to Tangible Property

While some states, including Hawaii, New Mexico, and South Dakota, adopted broad-based sales taxes, most states initially limited their tax to tangible property. Later, Florida and Massachusetts attempted to expand their tax to services generally, but each soon repealed that expansion.[7] Instead, as most states have expanded their tax base over time, they have done so by "specifically enumerating" (defining and imposing tax on) particular transactions or items. As a result, drawing clear lines between taxable and non-taxable items, especially tangibles and services, has become an ongoing exercise. And states have been slow to impose tax on digital products.

Late 20th Century – Looming Federal Restrictions

In the late 20th Century, sales taxes began to face the threat of various federal restrictions including:

The Willis Committee:

In 1965, the Willis Committee, best known for its study of multistate income taxes,[8] expanded its work to state sales taxes. It proposed sweeping federal reforms and limits, which Congress declined to enact.[9] Instead, states voluntarily responded to two major sales tax concerns raised:

- Providing uniform credits for state taxes paid; and
- Allowing sellers to use other states' exemption certificates in certain circumstances.

This also led to the inclusion of Article V of the Multistate Tax Compact.[10]

[6] For example, in New Mexico, which imposes the tax on the seller, the seller is required to either charge the tax or indicate whether they have included the tax in the charges so the buyer has notice of whether they may owe the compensating use tax. NM Stat § 7-9-6 (2025).
[7] Hellerstein, Hellerstein & Appleby, State Taxation, Thomson Reuters/Tax & Accounting, 3rd ed. 2001 & Supp. 2022-1, ¶12.05
[8] 358 U.S. 450.
[9] See Jerome R. Hellerstein, "Federal Legislation on State Taxation of Interstate Commerce: Key Areas of Controversy," William & Mary Annual Tax Conference, 626 (1966), available here: https://scholarship.law.wm.edu/cgi/viewcontent.cgi?article=1630&context=tax .
[10] Article V provides that purchasers liable for a use tax on tangible personal property are entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid with respect to the same property to another state and any subdivision thereof. It further provides that whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate of a state or subdivision taxing author the seller will be relieved of liability for a sales or use tax with respect to that transaction. See the Compact, available here: https://www.mtc.gov/The-Commission/Multistate-Tax-Compact#Article_V.

Constitutional Challenges - *National Bellas Hess* and *Quill*:

In two cases, the U.S. Supreme Court acted to restrict states from imposing sales tax collection requirements on mail-order sellers. In the first case, the Court cited both due process and dormant commerce clause precedent as limiting the burdens that states might impose. See *National Bellas Hess v. Department of Revenue of Ill.*, 386 U.S. 753 (1967). In the second case, the Court based its so-called "physical presence standard" entirely upon the dormant commerce clause doctrine, giving Congress the authority to change it. See *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992).

The Internet Tax Freedom Act:

In 1998, Congress enacted the Internet Tax Freedom Act (ITFA),[11] discussed further in this white paper. Proponents of this legislation argued states would otherwise tax Internet-based transactions ("electronic commerce") more than the same transactions taking place through other means. ITFA therefore preempted such discriminatory taxes, as well as state taxes on Internet access (as defined). The preemption against discriminatory taxes on electronic commerce also insured Internet sellers would be subject to *Quill's* protections in the same way as mail-order sellers.

In short, the latter half of the 20th Century saw a sharp rise in efforts to persuade federal courts and lawmakers to limit application of state sales taxes which likely had some effect in preventing states from expanding their sales tax base to include new products or services, including digital products.[12]

Post-*Quill* Years – States Attempt to Win Congressional Support

As the Supreme Court noted in *Quill*, Congress could have removed the physical presence restriction on state sales tax jurisdiction, permitting states to require these "remote sellers" to collect the tax.[13] Instead, Congress enacted ITFA—effectively conferring *Quill's* protections to Internet sellers. Still, states hoped to persuade Congress to remove these restrictions by voluntarily simplifying their sales tax systems and lowering the burdens on sellers.

Streamlined Efforts Including Definitions

State action to simplify sales taxes led to the Streamlined Sales and Use Tax Agreement in 2000. The MTC was an early and active proponent of this effort.[14] Part of the goal was to provide uniform definitions for sales taxes. At that time, it was fairly common for states to tax

[11] See 47 U.S.C. §151 note.

[12] A number of experts have commented on the influence that the lack of tax jurisdiction over out-of-state sellers had on policy-makers decisions about whether or not to expand the tax base. See, for example, John L. Mikesell and Sharon N. Kioko, "The Retail Sales Tax in a New Economy," presented at the Municipal Finance Conference, July 16-17, 2018, available here: https://www.brookings.edu/wp-content/uploads/2018/04/Mikesell-Kioko1.pdf, (hereafter "Mikesell"), p. 3.

[13] *Quill* at 305.

[14] See MTC Resolution No. 02-01, Improving State Sales Taxes to Achieve Fairness and Simplicity; Resolution No. 01-10, Resolution Supporting the Proposals and Work of the Streamlined Sales Tax Project; and Resolution No. 00-2, and Resolution in Support of the Streamlined Sales Tax Project; available here: https://www.mtc.gov/The-Commission/Policy-Statements-Resolutions.

pre-packaged "canned" software as tangible property, and this approach was incorporated in to the Streamlined agreement. Streamlined states also began working on uniform definitions for digital products that have a similar tangible equivalent.[15]

Congressional Proposals to Further Restrict States

While the efforts of the Streamline states continued, Congress considered enacting further restrictions on state sales taxes. Introduced first in 2010, the Digital Goods and Services Tax Fairness Act ("DGSTFA", H.R. 5649) would have preempted tax on digital goods or services unless the same tax was imposed on "similar" items (a broader preemption than in ITFA).

In addition, the DGSTFA prohibited any state from taxing a digital transaction except for the single state to which that transaction would be sourced under the Act, typically the customer's location. But as states pointed out, because the Act did not grant the destination state any relief from *Quill's* physical presence requirement, many digital transactions conducted over the Internet would escape tax entirely.

The Congressional Budget Office concluded that the DGSTFA constituted an "unfunded mandate" imposing costs on the states in the form of forgone revenues. Based on its estimates, those foregone revenues would total "more than $3 billion in the first full year and at least that amount in each subsequent year."[16]

Other State Efforts

As the state efforts to obtain relief from Congress appeared to stall, some states considered imposing information reporting requirements on remote sellers or adopting so-called "affiliate nexus" provisions.[17] Others considered business activity taxes—adopted by Ohio, Nevada, and Oregon. But eventually, the question of state jurisdiction over remote sellers found its way back to the Supreme Court.

The Supreme Court Weighs in Again – *Wayfair* and its Effects

As states continued their Streamlined efforts and considered adopting information reporting requirements on remote sellers, the Supreme Court again took up the question of whether remote sellers could be required to collect sales tax. This time, the case involved an Internet seller. See *South Dakota v. Wayfair* 585 U.S. 162, 187 (2018).

The Decision

The Court recognized the inherent problems with applying the physical presence nexus standard in a world where it could be argued that "a company with a website accessible in South Dakota may be said to have a physical presence in the State via the customers'

[15] For information on Streamlined and the current agreement see the Streamlined website, here: https://www.streamlinedsalestax.org/.

[16] Congressional Budget Office Cost Estimate H.R. 1860, Digital Goods and Service Tax Fairness Act of 2012, Sept. 14, 2012, available here: https://www.cbo.gov/system/files/112th-congress-2011-2012/costestimate/hr1860.pdf.

[17] See *Direct Marketing Ass'n v. Brohl*, 575 U.S. 1 (2015) as well as the MTC Use Tax Information Reporting Project, here: https://www.mtc.gov/uniformity/use-tax-information-reporting-work-group/. See also

computers." But the Court went further, concluding that the dormant commerce clause simply could not support this physical presence limitation on state tax jurisdiction.

The Court also recognized that the same technological advances that made physical presence a clearly arbitrary nexus standard were the same advances that provided a means to reduce the burdens on sellers, noting:

> "Eventually, software that is available at a reasonable cost may make it easier for small businesses to cope with these problems. Indeed, as the physical presence rule no longer controls, those systems may well become available in a short period of time, either from private providers or from state taxing agencies themselves."

State Response to *Wayfair* and Expansion of the Digital Economy

Immediately after *Wayfair*, states began work to adopt much simpler dollar-based sales tax nexus standards for when sellers would be subject to requirements to collect tax in the state. By this time, online marketplaces had become a prominent means for smaller businesses to sell their products across state lines and states also adopted rules allowing these marketplaces to collect the tax on behalf of their sellers. The MTC played a role in helping states coordinate these new rules.[18]

Since *Wayfair*, there has also been a renewed focus on whether states should broaden their sales tax base to include digital products.[19] States have also recognizes the challenges in taxing digital products—including defining various items, sourcing items sold over the Internet, handling bundled transactions, and providing for certain exemptions. Some states have also considered alternative taxes that would apply to the expanding digital economy. For example, in 2021, Maryland adopted a tax on digital advertising that has received significant attention and has been the subject of ongoing litigation.[20]

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[18] See information on that MTC project here: https://www.mtc.gov/uniformity/wayfair-implementation-informational-project/,
[19] See Annette Nellen, "Now Is a Good Time to Start Fixing the Sales Tax Base," Tax Notes State, Volume 97, Number 10, P. 987, Sep. 7, 2020, available here: https://www.mtc.gov/wp-content/uploads/2023/11/2020tns36-3-003.pdf; and – Young Ran (Christine) Kim & Darien Shanske, State Digital Services Taxes: A Good and Permissible Idea (Despite What You Might Have Heard), 98 Notre Dame Law Review 741 (2022)., available here: https://larc.cardozo.yu.edu/cgi/viewcontent.cgi?article=1540&context=faculty-articles.
[20] See Md. Code, Tax-Gen. § 7.5-101 et. seq. which has been subject to various challenges in both federal and state courts.

Narrowing of the Tax Base

As noted above, while a handful of states generally imposed their the sales taxes on a broad base—including tangible property, intangible property, and services—most initially imposed it only on sales or transactions involving tangible personal property (however defined) and then expanded to include other items, including certain other specifically enumerated (or narrowly defined) items. Therefore, the relative breadth of the tax base (excluding specific excise taxes) varies from state to state. Some studies have measured this relative breadth against overall consumption data and others have based it on the state's share of personal income as compared to its share of the sales tax base. One estimate of the breadth of states' sales tax bases by comparing the share of tax revenue to the share of personal income shows a variation ranging from 19% (California) to 94% (Hawaii).[21]

But, again, it is widely accepted that state sales tax bases are narrowing when compared to overall economy.[22] The main reasons for and effects of this narrowing are described below.

Reasons:

Common Exemptions – to Reduce Pyramiding and Regressivity

Most states have attempted to reduce what is sometimes called sales tax "pyramiding" or "cascading" on B2B transactions by granting exemptions for purchases made for resale or purchases of manufacturing or processing inputs or other business inputs. In some cases, however, imposing tax on B2B transactions may be considered justified where there is no tax imposed on the ultimate consumption.[23]

Most states have also attempted to reduce the regressivity of sales taxes. Methods include exempting certain essential purchases, such as food, adopting tax "holidays," and providing credits tied to income. States also have granted exemptions for certain items generally viewed as beneficial or essential, such as health-related or educational items. Less often do states expand the tax base to include certain services purchased by higher-income households.[24]

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[21] See Jared Walczak, State Sales Tax Breadth and Reliance, Fiscal Year 2021, May 4, 2022, Tax Foundation, available here: https://taxfoundation.org/state-sales-tax-base-reliance/ .

[22] See, for example, Jared Walczak, "Modernizing State Sales Taxes: A Policymaker's Guide," Tax Foundation, Sep.5, 2024 available here: https://taxfoundation.org/research/all/state/state-sales-tax-reform-guide/; Nikhita Airi and Frank Sammartino, "How Broad Are State Sales Tax Bases?," Urban Institute, Apr. 19, 2021, available here: https://www.urban.org/research/publication/how-broad-are-state-sales-tax-bases; Jackson Brainerd, "What Happens When States Ditch Income Tax for Sales Tax?," National Conference of State Legislatures, Feb. 14, 2023, available here: https://www.ncsl.org/state-legislatures-news/details/what-happens-when-states-ditch-income-tax-for-sales-tax.

[23] See William F. Fox and Leann Luna, "How Broad Should State Sales Tax Bases Be? A Review of the Empirical Literature," State Tax Notes, Sept. 4, 2006, P. 639.

[24] See, for example, "Who Pays? 6th Edition," Institute for Taxation and Economic Policy, 2018, available here: https://itep.sfo2.digitaloceanspaces.com/whopays-ITEP-2018.pdf; and Michael Mazerov, "Expanding Sales Taxation of Services: Options and Issues," Aug.10, 2009; available here: https://www.cbpp.org/research/state-budget-and-tax/expanding-sales-taxation-of-services-options-and-issues.

Tax Bases that Started Narrow and Lack Adaptability

But again, while states may grant exemptions for various purposes, most agree that the base is also narrowing because of changes in the economy. One expert estimated that the breadth of the sales tax base across all states has narrowed by as much as 35% since 2000.[25]

To the extent this narrowing is due to the inability of the state and local sales taxes to adapt to changes in the economy, this issue is often cited as critical to the tax's future.[26] Experts have, for decades, noted the failure of sales taxes to keep up with the digital economy, to the point where one noted expert has opined:

> ". . .the tax, as it currently functions, is an anachronism that reflects its origins in the Industrial Age nearly 70 years ago; since the [retail sales tax or RST] was created without a firm conceptual basis and "just growed," it is not surprising that it is defective—or that e-commerce magnifies its defects. But the problem may be deeper than this; even if reformed, the RST may simply not be suitable to serve as the most important source of tax revenue of state and local governments in the twenty-first century."[27]

Effects:

Revenue Generated from the Tax

The share of tax revenue that a state derives from its sales tax varies. A 2020 study found that sales taxes provided 32% of all state tax revenue, slightly less than the revenue provided by state personal income taxes, although, in 16 states, sales taxes are the largest source of tax revenues.[28] According to U.S. census data for more recent quarters, total state sales tax revenue for all states was about 30% of total state tax revenue.[29] This slightly lower percentage may be anomalous, or it may be consistent with the slight but steady relative decline in sales tax revenue that has occurred over the last few decades.[30]

Tax Rates Imposed

Sales tax rates also vary between jurisdictions and depend on both the state rate imposed and any local rates that may be included. Today, the highest combined state and local rate is around 11%, and the lowest (for states that have both state and local taxes) is around 5%. Median state rates increased have increased over time,[31] with about one percentage point change between

[25] Id.
[26] See, for example, Brookings, supra FN 17; and Mikesell, supra FN 1.
[27] Charles E. McLure, Jr., "Rethinking State and Local Reliance on the Retail Sales Tax: Should We Fix the Sales Tax or Discard It?," 2000 BYU Law Rev. 1, Art. 11, Mar. 1, 2000, available here: https://digitalcommons.law.byu.edu/cgi/viewcontent.cgi?article=2052&context=lawreview, (hereafter, McClure).
[28] "How States Raise Their Tax Dollars," PEW, May 13, 2021, available here: https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2021/how-states-raise-their-tax-dollars-fy2020.
[29] See information available on the U.S. Census Data website, here: https://www.census.gov/programs-surveys/stc.html. All state excise taxes generate 13% of total state tax revenues. Common state excise taxes include fuel taxes at around 4% of total taxes and insurance premiums taxes at around 3%. Local governments also impose excise taxes, most notably hotel accommodations and related taxes.
[30] See Vivien Lee and David Wessel, "The history and future of the retail sales tax," Brookings, July 16, 2018, available here: https://www.brookings.edu/blog/up-front/2018/07/16/the-history-and-future-of-the-retail-sales-tax/#:~:text=The%20retail%20sales%20tax%20was,than%2032%20percent%20in%201970, (hereafter, Brookings).
[31] See Walczak, FN 20.

2008 and 2018.[32] And the average tax rate among states that levy a retail sales tax was 5.7 percent in 2015 compared to 3.5 percent in 1970.[33]

[32] See John L. Mikesell, "State Retail Sales Taxes in 2018," Tax Notes State, Sept. 30, 2019, p. 1339.
[33] Vivien Lee and David Wessel, "The history and future of the retail sales tax," Brookings, Jul. 16, 2018, available here: https://www.brookings.edu/articles/the-history-and-future-of-the-retail-sales-tax/.