

STATEMENT OF PURPOSE

RS21278

This legislation brings together the relevant applicable statutes affecting the collection of Idaho sales and use taxes. The sales/use tax statutes will be modified to qualify Idaho: 1) To be a full participating state with 24 other states in what is commonly referred to as the "Streamlined Sales and Use Tax Agreement," and 2) For inclusion under the recently introduced U.S. Senate bill (S.1832) known as the "Marketplace Fairness Act."

Participation under either or both of the above require some changes to Idaho State laws and this legislation lays out those required changes. These changes do not create new taxes. However, they allow Idaho to collect taxes from remote sales that are due, but up to now have not been collectable. Save for remote sales, the legislation is intended to be revenue neutral. Any future proposed changes to the Agreement will require case by case approval by the Idaho Legislature in order to be effective in the state of Idaho.

FISCAL NOTE

It is estimated that annual receipts initially could be 35 million dollars. Costs to become a participating state under the Streamlined Sales and Use Tax Agreement would be approximately \$17,000.00 annually.

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