

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 144

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3622XX, IDAHO CODE, TO PROVIDE A SALES AND USE TAX EXEMPTION FOR SMALL SELLERS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3622XX, Idaho Code, and to read as follows:

63-3622XX. SMALL SELLER. (1) There is hereby exempted from the taxes imposed by this chapter sales of tangible personal property made by an individual making small sales. A small seller shall not collect or remit any state sales or use tax imposed by this chapter.

(2) For purposes of this section, "small seller" means an Idaho resident making sales that do not exceed five thousand dollars (\$5,000) in cumulative gross receipts in the current or previous calendar year. It shall not include partnerships, corporations, or limited liability corporations.

(3) The exemption provided in this section shall not apply to:

(a) Sales of motor vehicles, trailers, all-terrain vehicles, utility type vehicles, specialty off-highway vehicles, motorcycles intended for off-road use, snowmobiles, aircraft, vessels as defined in section 67-7003, Idaho Code, alcohol, or tobacco; or

(b) Items purchased to be sold or incorporated into items to be sold.

(4) A small seller with gross receipts exceeding five thousand dollars (\$5,000) shall within thirty (30) days file with the state tax commission an application for a temporary seller's permit and begin collecting sales and use tax. No temporary seller's permit shall be issued for a period of time greater than the remaining calendar year in which sales exceeded five thousand dollars (\$5,000) for a small seller. The following year, such seller shall apply for a seller's permit under the provisions of section 63-3620(a), Idaho Code.

(5) A small seller shall indicate on such seller's invoice, if requested by the purchaser, that the sale was exempt from sales and use tax pursuant to the provisions of this section.

(6) A small seller shall not permanently maintain, occupy, or use an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business or maintain a stock of goods with anticipation of exceeding gross receipts of five thousand dollars (\$5,000).

(7) A small seller may file an application with the state tax commission for a seller's permit pursuant to section 63-3620, Idaho Code, before such seller reaches the five thousand dollar (\$5,000) threshold provided in subsection (2) of this section.

1           (8) Nothing in this section relieves a small seller from filing indi-  
2           vidual income tax returns for persons who meet the filing requirements under  
3           section 63-3030, Idaho Code.

4           (9) A small seller with sales exceeding three thousand dollars (\$3,000)  
5           annually shall keep such records for not less than four (4) years pursuant to  
6           section 63-3624, Idaho Code.

7           SECTION 2. An emergency existing therefor, which emergency is hereby  
8           declared to exist, this act shall be in full force and effect on and after  
9           July 1, 2025.