

Streamlined Sales Tax--State Issues

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Let's Talk About...

- Disclaimer
- Estimated revenue to Idaho
- Cost to join Streamlined Governing Board
- Tax Administration issues-No federal legislation
- Tax Administration issues-With federal legislation
- Statutory Changes

Disclaimer

The Tax Commission has no position on joining the Streamlined Sales Tax Agreement

Estimated Revenue To Idaho

- Current law: Use tax owed if no sales tax paid
 - Joining the agreement is not a new tax
- Without federal legislation
 - \$1-3 million
- With federal legislation
 - \$30- 50 million
- Estimates only

Cost to Join Streamline Governing Board

- First year cost \$26,000 (approx.)
- Upgrade Tax Commission GenTax system and internal processes (estimated \$259,000)
- On-going software maintenance costs

Tax Administration-No Federal Law

- Little or no impact on Idaho retailers
 - Continue to collect, file and pay as they do now
 - Sales that need to be taxed or exempt almost the same
 - Exception for Idaho retailers that have already voluntarily registered with SSTGB
 - Would now file and remit to Idaho through certified service provider rather than filing directly with Idaho
- Out of state retailers that are voluntarily registered with SSTGB
 - Would now file and remit to Idaho via certified service provider

Tax Administration-With Federal Law

- Little or no impact on Idaho retailers selling only in-state
 - Continue to collect, file and pay as they do now
 - Sales that need to be taxed or exempt almost the same
- Big impact on Idaho sellers making out-of-state sales
 - Even if Idaho joins streamlined or otherwise has to comply with federal law
 - Comply with collection requirements of any state they ship product to

Statutory Changes

- Many definitions need changing or added to statute
- Must align with Agreement
 - Not a big problem, few product based exemptions
- One area that affects taxability is prescription drugs
 - Streamline definition broader than Idaho
- Why bother then?