Establishing Fairness for Main Street

Making Sure Sales Tax Collection is Fair for Everyone

Now that the Supreme Court has overturned the “physical presence” test for remote sales tax collection requirements, cities need to make sure that they have a seat at the table and are working with state legislatures to ensure methods for the collection and remittance of local sales taxes are included in these discussions.

Key Points

This is about fairness: For years, certain remote retailers could avoid collecting sales taxes and sell products at effectively lower prices than their brick-and-mortar counterparts along Main Street. The South Dakota v. Wayfair decision is NOT a new tax or an “Internet Tax.” Rather it is a move toward ensuring that already owed taxes are collected and that everyone plays by the same rules.

Remote retailers enjoy the same services as physical ones: The “physical presence” test arbitrarily allowed certain remote retailers to avoid having to collect sales taxes that fund the locally-owned roads, ports and municipal services that remote retailers rely on to deliver packages.

Simplification efforts: Cities and states continue to make sure collection processes are fair, efficient and transparent. As states continue to respond to the decision, discussions must include processes for the collection and remittance of local option sales taxes in a way that is fair for everyone: states, counties, cities and retailers.

Not a burden on business: Simplification efforts, technological improvements and collection software make the collection and remittance process fair and sensible in today’s world of growing e-commerce.

Learn More: www.nlc.org/MainStreetFairness
About Streamline (SSUTA)
The Streamlined Sales and Use Tax Agreement (SSUTA) is a multistate agreement that was designed to simplify and modernize sales and use tax administration, in order to reduce the burden of sales tax compliance and ensure that the processes are fair for retailers, states, counties, cities and everyone else involved.

Elements of SSUTA
- Specifically mentioned in the *South Dakota v. Wayfair* majority opinion as a means of alleviating any burdens to interstate commerce.
- Includes methods for the collection and remittance of local sales taxes.
- Destination-based sourcing of sales taxes.
- Single point of registration for retailers.
- Centralized administration of sales tax collections within each state.
- Single database for all rates and jurisdictions within a state.

SSUTA Member States

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