

## HB 2302 -- Streamlined Sales and Use Tax Agreement

Sponsor: Sutherland

This bill requires the Department of Revenue to establish the necessary rules to implement the compliance provisions of the multistate Streamlined Sales and Use Tax Agreement. The bill specifies that:

(1) When a political subdivision changes the rate of tax, the rate change must take effect on the first day of the second calendar quarter after the Director of the Department of Revenue receives notice of the change;

(2) When a city annexes or detaches property, the city clerk must forward a certified copy of the ordinance to the department director within 10 days. The tax rate in the added or abolished territory must be effective on the first day of the second calendar quarter after the department director receives notice of the boundary change;

(3) When a city changes the rate of tax, the change to the tax rate will take place on the first day of the second calendar quarter after the department director receives notice of the rate change; and

(4) If a political subdivision repeals an existing tax, the repeal must become effective December 31 of the calendar year in which the abolishment of the tax was approved. Effective January 1, 2010, the political subdivision must notify the department director at least 120 days prior to the effective date of the repeal.

The bill requires:

(1) The department director to perform all functions regarding the administration, collection, enforcement, and operation of all sales taxes;

(2) All state and local sales taxes to have the same base which means that exemptions at the state and local level must be identical;

(3) The definitions for "delivery charges," "food," "lease or rental," "purchase price," "sales price," "tangible personal property" and other revised definitions to be adopted as defined in the streamlined agreement;

(4) The department to be able to require any seller to electronically file and remit sales and use taxes;

(5) The registration for out-of-state sellers to be simplified and no bond to be required;

(6) No caps or thresholds to exist on the collection of sales or use taxes; and

(7) Out-of-state sellers to be offered uniform, simplified electronic filing.