

Request for Clarification from the State of Ohio

What type of returns are to be filed by Sellers registered through the Streamlined Sales and Use Tax Agreement (SSUTA) registration system that choose technology Model X?

Section 318 D of the Agreement states:

(D) Allow any seller that is registered under the Agreement, which does not have a legal requirement to register in the member state, and is not a Model 1, 2, or 3 seller, to submit its sales and use tax returns as follows:

1. Upon registration, a member state shall provide to the seller the returns required by that state.

2. A member state may require a seller to file a return anytime within one year of the month of initial registration, and future returns may be required on an annual basis in succeeding years.

3. In addition to the returns required in subsection (D)(2), a member state may require sellers to submit returns in the month following any month in which they have accumulated state and local tax funds for the state in the amount of one thousand dollars or more.

Based upon 318 (D), it is interpreted that sellers that are not required to be registered with a state and do not choose Model 1, 2, or 3 (known as Model 4 or X), will file the states' returns, not the SER. The return will be filed as least annually, or when the seller accumulates \$1000.00 in tax for a state. This section does not address a seller that is required to be, or already is registered with a state.

When a seller registers with the Streamlined system, not only must they choose one of the technology models, they must also choose one of the following:

- A) Are they volunteering to register with a state.
- B) Are they required to register with the state, or
- C) Are they already registered with the state.

Can it be confirmed that any seller that chooses Model X as a technology model, and chooses either B or C above, be required to file the state's returns? And will those returns be filed on monthly basis, not when the accumulated tax reaches \$1000.00?