Section XXX. Credit for Taxes Paid

A. Except as provided by subsection 313.A.4, a member state must credit the sales, use or similar taxes paid by a purchaser on the sale or prior use of a product in other jurisdictions.

B.1. The determination of which state must provide the credit is first based on the time when the sale occurred under a state’s law and next on the time when the use occurred.

2. Where there is a simultaneous receipt in multiple jurisdictions, the amount of the credit shall be determined by allocating the sale or use price based on a reasonable and consistent method that reflects the use in the jurisdictions.

C. Taxes paid by a purchaser shall include the state and local taxes, if any, paid to a seller or paid directly to a state or a local jurisdiction. The taxes paid by a purchaser include any sales, use or similar taxes collected by a seller from a purchaser.

D. Credit may be limited to the amount of taxes actually paid. The state may exclude any amount that the purchaser recovered, or may recover, resulting from an erroneous tax payment (e.g., not legally paid) or a reduction in the amount of taxes owed attributable to the allowance by the other state of an exemption or credit against the tax.

E. Nothing in this section requires a member state to provide credit for taxes paid on a product if the state the purchaser is seeking the credit from does not allow a credit for taxes paid to the member state.