

A motion by Nebraska and South Dakota to the Governing Board to adopt the Best Practices Matrix relating to credits for taxes paid to another state or local jurisdiction as provided in Sections 335 and 328 of the SSUTA.

STATE NAME: _____

**Streamlined Sales Tax Governing Board
Section 328 Best Practices Matrix**

Effective Date:

**Completed by:
E-mail address:
Phone number:
Date Submitted:**

Appendix ----- Credits “best practice” has been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified in the chart below pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through **May 24, 2012.**

For each “best practice” identified in this matrix and further described in Appendix _____ of the SSUTA which your state follows, place an “X” in the **“Concur”** column and enter the statute or rule that applies to your state’s treatment of this “best practice” in the Reference column.

For each “best practice” identified in this matrix and further described in Appendix _____ of the SSUTA that your state does not follow, place an “X” in the **“Other”** column and describe in the “Comments” column your state’s tax application to the transaction, product, procedure, or service described.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state in the best practices matrix.

**Tax Matrix for Credits Best Practice
Appendix -----**

Reference Number	Explanation	Concur means your state agrees with the defined term, Other means your state adheres to a different definition. If the answer is Other, please provide explanation in the comment field.
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	Terms as defined for use in Appendix. Unless indicated differently, these terms, including the comments or explanation by each state, apply to all best practices. Indicate if your state concurs with the definition, if not explain.	Concur	Other	Reference: Statute, Rule, Cite Comment
	C. “Sales or use taxes” mean the sales or use taxes that are paid to a State or to the District of Columbia that are based on a percentage of the “sales price” or “purchase price”. The states of Alaska, Delaware, New Hampshire, Montana, and Oregon do not impose a state sales or use tax. Sales or use taxes do not include “Similar Tax”.			
	D. “Similar Tax” means a tax that is: <ol style="list-style-type: none"> 1. Imposed on the seller or purchaser and either required to be or which may be collected from the purchaser at the time of the sale; 2. Required to be paid by the purchaser directly to the state if the seller did not collect the tax at the time of the sale and the purchaser stored, used or otherwise consumed the product in the state; and 3. Based on a percentage of the sales price or purchase price of the product. 			
	E. “Tax paid” means the sales or use tax paid to a state by either the seller or the purchaser when the purchase of that product is taxable in that state and the sale was properly sourced based on that state’s sourcing rules. “Tax paid” includes the tax paid by the purchaser directly to a subsequent state because the purchaser moved the property to a different state. “Tax paid” excludes the portion of tax eligible for a credit or refund.			
Best Practices				
	Indicate if your state concurs with each practice. If you do not, please explain the practice of your state. Unless indicated differently, each definition or best practice the state complies with and any explanation noted in the response will apply to all best practices	Concur	Other	Reference: Statute, Rule, Cite Comment
	1. Credit for State and/or Local Taxes. The state provides credit against the state and local sales or use taxes imposed on a purchaser for state and local sales or use taxes paid to another state or local jurisdiction, regardless			

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	<p>of whether the other state provides a reciprocal credit.</p> <p>.</p> <p>The credit for state and local sales or use taxes imposed on a purchaser may be limited by the criteria in Practices 1.a through 1.f.</p>			
	<p>1.a. Similar Tax Paid. The state provides credit against the sales or use taxes imposed on a purchaser for similar taxes paid to another state or local jurisdiction.</p> <p>.</p>			
	<p>1.b. Similar Tax Imposed. The state provides credit against similar taxes imposed on a purchaser for sales and use tax paid to another state or local jurisdiction.</p>			
	<p>1.c. Sourcing at Time of Initial Sale. The state provides credit against the sales or use taxes it imposes on a purchaser for sales or use taxes paid to another state pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5.</p>			
	<p>1.d. Characterization of Sale as Property or Service.</p> <p>The state provides credit for sales or use taxes paid to another state regardless of the characterization of the sale as a sale of tangible personal property, a service, or other (i.e., digital good).</p>			
	<p>1.e. Sales Price Components (as defined in SSUTA administrative definitions). The state provides credit for the sales or use taxes paid to another state on all components of the "Sales Price".</p>			
	<p>1.f. Transactions with Taxable and Exempt Products.</p> <p>The state that has components of the sale that are not taxable provides credit for the full amount of sales or use tax paid on a transaction to another state or local jurisdiction.</p>			

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	<p>2. Audit Sampling. The state provides credit for sales or use taxes paid to another state when the product was part of the population sampled pursuant to an audit sampling method.</p>			
	<p>3. Direct Mail. The state provides credit for sales or use taxes paid to another state on advertising and promotional materials pursuant to SSUTA Section 313.A.4.</p>			
	<p>4. Accelerated Payments on Lease/Rentals. For sales or use tax paid to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments (“accelerated basis”), the state allows a credit against the sales or use tax due on the balance of the lease/rental payments.</p>			
	<p>5. Inception-Deferred Collection on Lease/Rentals. For sales or use tax imposed by, and paid to, another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method, the state allows a full credit against the sales or use tax due on the balance of the lease/rental payments.</p>			
	<p>6. Lessor Acquisition. For sales or use tax paid by the lessor to another state or local jurisdiction on the acquisition of the property, the state allows credit against the sales or use tax due on the balance of the lease payments provided the tax reimbursement is documented and disclosed to the lessee.</p>			