

A motion by Indiana to amend the definition of “sales price” in the Streamlined Sales and Use Tax Agreement to allow certain exemptions for federal taxes.

Appendix C--Library of Definitions, SSUTA (10-8-14), pgs. 94-95

“Sales price” applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller's cost of the property sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and
- F. Credit for any trade-in, as determined by state law.

Notwithstanding (B) above, a state may elect, by statute or administrative regulation, to exclude from sales price the following types of taxes, but only if that tax is separately stated on the invoice, bill of sale or similar document given to the purchaser:

1. Any or all state and local taxes on a retail sale that are imposed on the seller if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. If there is no state statute authorizing or imposing the local tax, the language in the local ordinance will determine if the local tax may, but is not required, to be collected from the consumer; and/or
2. Tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer.

Under pars. 1 and 2., ~~Such tax~~ exclusion from sales price shall be listed on the state’s taxability matrix. The exclusion of a specific tax from sales price may not be based on the type of consumer or product sold.

3. Any or all retailer's excise taxes imposed by the United States if the tax (a) is imposed solely on the sale of tangible personal property, (b) ~~the tax~~ is remitted to the appropriate taxing authority; and (c) the seller separately states the tax on the invoice, bill of sale or similar document given to the purchaser.

4. Any or all manufacturer's excise taxes imposed by the United States if the excise tax is separately stated by the seller on the invoice, bill of sale or similar document given to the purchaser.

Under pars. 3 and 4., such exclusion from sales price shall be listed on the state's taxability matrix. The exclusion of a specific tax from sales price may not be based on the type of consumer.