

# State Taxability Matrix

*version 2015.0*

*Publish Date:*

**Effective Date:**

**Completed by:**

**E-mail Address:**

**Phone number:**

**Date Revised:**

The Taxability Matrix contains four sections that must be completed: Section A - Administrative Definitions, Section B - Sales Tax Holidays, Section C - Product Definitions and Section D - Tax Administration Practices.

Instructions for Sections A, B and C of the Taxability Matrix

Each of the items listed in Sections A, B and C below are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 13, 2015. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications, except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition." If your state has adopted a definition in

[SL15019A01](#)

[AM15006A01](#)

the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

#### Instructions for Section D of the Taxability Matrix

With respect to Section D, "tax administration practices" have been selected by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through May 13, 2015.

Use of the term "State" in each practice refers to the state completing the matrix.

Place an "X" in the appropriate column to indicate whether your State does or does not follow each practice identified.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your State follows, place an "X" in the "Yes" column and enter the statute or rule that applies to your state's treatment of this practice in the References and Comments column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your State does not follow, place an "X" in the "No" column and, if necessary, describe in the References and Comments column your state's practice in this area.

Conformance to a "tax administration practice" by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a tax administration practice selected by the Governing Board.

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 and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in Sections A, B and C. To the extent possible, sellers and CSPs are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the

seller or certified service provider relying on erroneous data with respect to and the tax administration practices indicated in Section D of the Taxability Matrix.  
SSTGB Form F0014 (Revised May 13, 2015)

....

Administrative Definitions		Treatment	Reference	
Reference Number	Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite

...

D. Tax Administration Practices on Vouchers from Appendix E		<u>this</u>		<u>Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Disclosed Practice as Adopted by the Governing Board and Your State's Treatment</u>	
Reference Number	Disclosed Practice 1 - Voucher	<u>Yes</u>	<u>No</u>	<u>Statute/Rule Cite</u>	<u>Comment</u>
Vouchers 1.1	The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.				
...		...		...	

D. Tax Administration Practices on Credits from Appendix E		For each section, place an "X" in the YES column for the Practice your State follows. Place an "X" in the NO column if the practice does not apply in your State.		For sections with only NO responses, describe your State's tax treatment. Additional comments may be added for any response	
Reference Number	Disclosed Practice 2 - Credits	<u>Yes</u>	<u>No</u>	<u>Statute/Rule Cite</u>	<u>Comment</u>
...	...	...	...	...	...
<b>D. Disclosed Practice on Liability Relief from Appendix E</b>		<b>Does Your State Follow this Disclosed Practice?</b>		<b>Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Disclosed Practice as Adopted by the Governing Board and Your State's Treatment</b>	
<b>(Note: These tax administration practices address whether a member state provides liability relief although the state is only required to provide relief "to the extent possible," as specified in sections 328(C) and (D) of the Agreement.)</b>					
<u>Reference Number</u>	<u>Disclosed Practice 3 .1 Liability relief for erroneous information in the tax administration practices section of the taxability matrix</u>	<u>Yes</u>  <u>If you answer "Yes" to 3.1, you do not need to complete 3.1.a, b, and c below.</u>	<u>No</u>  <u>If you answer "No" to 3.1, please complete 3.1.a, b, c below.</u>	<u>Statute/Rule Cite</u>	<u>Comment</u>
<b>(This practice has been nominated as a potential best practice)</b>	<b>3.1 The State provides sellers and CSPs with liability relief for tax, interest and penalties if the sellers and CSPs charged and collected the incorrect tax due to erroneous information in the tax administration practices section of the taxability matrix.</b>				
<b>This practice was selected by the Governing Board as a Best Practice on (enter date if applicable).</b>					
	<b>3.1.a Liability Relief for Tax</b>				

	<u>3.1.b Liability Relief for Interest</u>				
	<u>3.1.c Liability Relief for Penalties</u>				
<b>Reference Number</b>	<b>Disclosed Practice 3.2 Extended liability relief for changes to the tax administration practices section of the taxability matrix</b>	<b>Yes</b> <b>If you answer "Yes" to 3.2, you do not need to complete 3.2.a, b, and c below.</b>	<b>No</b> <b>If you answer "No" to 3.2, please complete 3.2.a, b, and c below.</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
<b>(This practice has been nominated as a potential best practice)</b>  <b>This practice was selected by the Governing Board as a Best Practice on (enter date if applicable).</b>	<b>3.2 When the State makes a change to its tax administration practice section of the taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the state's tax administration practices section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.</b>				
	<u>3.2.a Liability Relief for Tax</u>				
	<u>3.2.b Liability Relief for Interest</u>				
	<u>3.2.c Liability Relief for Penalties</u>				
<b>Reference Number</b>	<b>Disclosed Practice 3.3 Extended liability relief for changes to the library of definitions section of the taxability matrix</b>	<b>Yes</b> <b>If you answer "Yes" to 3.3, you do not need to complete 3.3.a, b, and c below.</b>	<b>No</b> <b>If you answer "No" to 3.3, please complete 3.3.a, b, and c below.</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
<b>(This practice has been nominated as</b>	<b>3.3. When the State makes a change to the library of definitions section of its taxability matrix, the State</b>				

<p><u>a potential best practice)</u></p> <p><u>This practice was selected by the Governing Board as a Best Practice on (enter date if applicable).</u></p>	<p><u>provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the member state's library of definitions section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.</u></p>				
	<p><u>3.3.a Liability Relief for Tax</u></p>				
	<p><u>3.3.b Liability Relief for Interest</u></p>				
	<p><u>3.3.c Liability Relief for Penalties</u></p>				