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D. Tax Administration Practices on Post Transaction Issues from Appendix E of the SSUTA		Does Your State Follow this Practice?		Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your State's Treatment	
Reference Number	<p><b>Disclosed Practice 5 – Post Transaction Issues</b> Unless indicated otherwise throughout Disclosed Practice 5:</p> <ul style="list-style-type: none"> <li>• Use of the word “tax” means the sales or use tax paid by the customer to the seller which was timely remitted by the seller to the state;</li> <li>• Use of the word “refund” includes a credit unless otherwise stated;</li> <li>• <u>Unless otherwise stated, the refund is being claimed within the state’s statute of limitations;</u></li> <li>• <u>Unless otherwise stated, the seller has refunded the tax to the customer;</u></li> <li>• The tax rates used in the examples are for illustrative purposes only and are presumed to be correct;</li> <li>• The seller is not engaged in fraud or making intentional misrepresentations;</li> <li>• The seller maintains proper books and records to substantiate taxes collected and remitted based on the applicable state’s requirements;</li> <li>• The disclosed practices do not apply to sales of motor vehicles;</li> <li>• The disclosed practices relate to products voluntarily returned by the customer and accepted by the seller (e.g., does not include repossessed products) and;</li> <li>• <b>The disclosed practices only provide general guidance and assume there are no other unique circumstances that apply.</b></li> </ul>				

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	<b>Disclosed Practice 5.1 - Refund Procedure Document</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.1	Does your state have written guidance on your website, or otherwise, that explains how sellers and/or customers can properly obtain a tax refund from your state? (If "yes", please provide a website link and/or indicate how a person can obtain guidance in the comment section.)				
	<b>Disclosed Practice 5.2 - When does your state's statute of limitations begin for a seller to obtain a refund of tax paid for products returned by a customer?</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.2.A.	It begins on the due date of the tax return on which the tax was required to be reported by the seller to the state.				
PT 5.2.B.	It begins on the date the tax on the sale was due by the seller to the state.				
PT 5.2.C.	It begins on the date the tax was remitted to the state or the due date of the tax return, whichever is later.				

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PT 5.2.D.	It begins on the date the customer returns the product (such as a rescission of sale) to the seller and receives the refund from the seller.				
PT 5.2.E.	Other - If the state's answers to 5.2.A – 5.2.D. were all "no", check "yes" and explain when the statute of limitations for a sellers claim begins in the comments section.				
	<b>Disclosed Practice 5.3</b> - How long is your state's statute of limitations time period for a seller to claim a tax refund on products returned by a customer?	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.3.A.	A three-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.				
PT 5.3.B.	A four-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.				

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PT 5.3.C.	If the answers to <u>both</u> 5.3.A. and 5.3.B., were “no” please indicate “yes” and provide your state’s time period for a seller to make a refund request to the state in the comments.				
	<b>Disclosed Practice 5.4 - Documentation to Prove Refund of Tax to Customer</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.4.	Will your state accept the seller’s electronic sales receipts that identify the product purchased, the date purchased, the tax collected, the product returned, the date refunded and the tax refunded to the customer to prove that a customer paid tax?				
	<b>Disclosed Practice 5.5 - How does a seller obtain a refund of tax refunded to their customer? (Credit on Current Tax Return, Subsequent Tax Return or Refund Claim)</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.5.A.	Does your state allow a seller to take a credit (or net) on its tax return to report the original sale if the product was returned prior to the seller filing that tax return? If this is <b>required</b> , note that in comments section.				
PT 5.5.B.	Subject to the state’s statute of limitations, does your state allow a seller to take a credit (or net) during the reporting period when the product was returned if the product is returned in a different reporting period than the original sale? If this is <b>required</b> , note that in comments section.				

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PT 5.5.C	Subject to the state's statute of limitations, does your state allow the seller to file an amended tax return and/or refund claim when the product is returned after the seller filed its tax return to the state to report the original sale? If this is <b>required</b> , note that in comments section.				
	<b>Disclosed Practice 5.6</b> - May the seller process the refund and additional charges in one transaction on a single invoice?	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.6.A	Does your state allow the seller to obtain a refund from the state if the seller subtracts from the original sales price any charges imposed by the seller to make a return (understanding the tax must be collected on any taxable charges)? If your state has exceptions note those exceptions in the comments section.				
PT 5.6.B.	If the answer to 5.6.A was "no," does your state allow the seller to obtain a refund from the state if it provides a full refund, including the tax, but subsequently imposes any service charges (and imposing any applicable tax) to the customer as a separate transaction on a separate invoice?				
	<b>Disclosed Practice 5.7 - Taxability of Restocking/Return Fees</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.7.A.	Does your state impose tax on restocking fees or return fees that are not directly associated with the use of a returned product?				

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PT 5.7.B.	Does your state impose a sales tax on a charge for the use (e.g. wear and tear) of a product?				
	<b>Disclosed Practice 5.8 - Cash/Credit Refund versus Store Credit</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.8.	Does your state treat the refund in the form of store credit the same as a cash refund for returned products?				
	<b>Disclosed Practice 5.9 - Simultaneous Return and Sale</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.9.A.	Does your state allow the seller to only collect and remit the additional tax on the price difference of a returned product when the replacement product costs more? <b>If no, explain in the comments section.</b>				
PT 5.9.B.	Does your state allow the seller to obtain a refund from the state for the price difference of a returned product when the replacement product costs less? <b>If no, explain in the comments.</b>				

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	<b>Disclosed Practice 5.10 - Refund Pending State Approval</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.10.A.	Will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax if the seller does not have a written agreement to refund the tax to the customer?				
PT 5.10.B.	If you answered “no” to disclosed practice 5.10.A., if the seller has a written agreement that it will refund the tax to the customer if the state approves the refund, will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax?				
PT 5.10.C.	Does your state require the seller to refund the tax to the customer prior to obtaining a refund from the state?				
	<b>Disclosed Practice 5.11 - Seller Refund When Customer Did Not Pay Tax</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.11	Can the seller, who remitted the tax to the state, obtain a refund of the tax paid to the state if the customer refuses to pay the tax because the customer correctly asserted the <u>product-transaction</u> was exempt under the state’s laws? <del>If “no”, indicate how a seller can claim a refund in the comment section.</del>				

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	<b>Disclosed Practice 5.12 - Returned Product to Seller in Another State</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.12.	The customer has the original sales receipt indicating your state's tax was charged. If the product is returned in another state, will your state allow the seller to claim the refund of the tax paid to your state? <del>If "no," explain in the comment section.</del>				
	<b>Disclosed Practice 5.13 - Returned Product to Seller in Another Local Jurisdiction <u>Within the Same State</u></b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.13.	The customer has the original sales receipt indicating the tax was charged for a local jurisdiction in your state. The product is returned in your state in a different local jurisdiction. <u>Does/Will</u> your state <del>allow-require</del> the seller to claim the refund of the tax paid to the original local jurisdiction? <del>If "no," explain in the comment section.</del>				
	<b>Disclosed Practice 5.14 - Returned Product with No Receipt</b>	<b>Yes</b>	<b>No</b>	<b>Statute/Rule Cite</b>	<b>Comment</b>
PT 5.14.	If a seller refunds tax to a customer, without a receipt, using the tax rate at the store where the return was made and the price of the returned product at the store at that time, will your state allow the seller to receive a refund or credit of this tax from the state? Note in the comments section any special documentation the seller needs to provide the state.				

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	Disclosed Practice 5.15 - Customer Directly Filing for a Refund	Yes	No	Statute/Rule Cite	Comment
PT 5.15.A.	Does the state give customers the option to request a tax refund directly from the state ( <i>i.e.</i> , the customer is not required to make the request through the seller)? Note any special requirements that may apply, such as minimum dollar thresholds, in the comment section.				
PT 5.15.B.	If the answer to disclosed practice 5.15.A was “no,” does the state allow a customer to obtain a tax refund from the state when the seller cannot be found or refuses to refund the tax to a customer? If “yes”, provide details in the comment section.				

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