

A motion by Kentucky and Washington to amend Section 401.D. of the Streamlined Sales and Use Tax Agreement.

Section 401: SELLER PARTICIPATION

A. The member states shall provide an online registration system that will allow sellers to register in all the member states and other states electing to utilize the registration system.

B. By registering, the seller agrees to collect and remit sales and use taxes for all taxable sales into the states in which the seller elected to register. Withdrawal or revocation of a state shall not relieve a seller of its responsibility to remit taxes previously or subsequently collected on behalf of the state.

C. In states where the seller has a requirement to register prior to registering under the Agreement, the seller may be required to provide additional information to complete the registration process or the seller may choose to register directly with those states.

D. A member state or a state that has withdrawn or been expelled shall not use registration with the central registration system and the collection of sales and use taxes in the member states as ~~the~~ the sole factor in determining whether the seller has nexus with that state for any tax at any time.

(Note: The purpose of this amendment along with the corresponding proposed Rule 401.2 is to clarify that sellers that register through the SSTRS may be provided information about other taxes in the member states and that once the seller actually files a return with a state, the state may use the data on the return as a basis for contacting the seller to make them aware of other possible taxes that may be owed in their state. States should not just automatically presume the seller owes the other taxes, but instead work with the seller to make that determination.)