



100 Majestic Drive, Suite 400 ♦ Westby, WI 54667

# State and Local Advisory Council Request and Assignment Form

**Provide the name(s) and contact information of the state or parties submitting the Request.**

**Date:** 5/27/2021

**Name of State or Person(s) submitting request:** Christie Comanita

**Contact Person:** Christie Comanita - sSTGB

**Address:** [Click here to enter Address \(Street or PO Box, City, State, Zipcode\)](#)

**Phone:** 480-653-7113 **Email:** christie.comanita@sstgb.org

**1. Agreement Section(s), Rules or Tax Administration Practice(s) involved (if any).** (Identify the section(s) of the Streamlined Sales and Use Tax Agreement, the Streamlined Rules, or Tax Administration Practices, if any, which are affected or involved with the issue.)

Sections 305, 306, 307, 310 and 311

**2. Question, Issue, or Topic for discussion.** (Identify the question, issue, or topic you believe requires a study or resolution by SLAC.)

Proper calculation of the tax on sales of digital goods and liability relief if only a 5-digit zip code is obtained

If a seller only obtains a 5-digit zip code from the purchaser of a digital good and calculates the applicable state and/or local taxes based on that 5-digit zip code following the SSUTA requirements (lowest rate in that 5-digit zip code based on the state's rate and boundary databases), will the state hold the seller liable for the tax that would have been calculated if a complete street address was obtained from the seller?

If a seller requests a complete street address from the purchaser and the purchaser refuses to provide that information since it is not needed for delivery of the digital good, can the seller collect the tax at the highest state and/or local rates for that 5-digit zip code?

**3. Statement of Background Facts.** (Provide a detailed description of the issue and supporting facts. Please be as descriptive as possible and provide examples of actual transactions.)

The question of whether a complete street address is required or needed when selling digital goods is important to states, as well as CSP's and sellers of digital goods.

Since no physical product is being delivered, sellers may only obtain the information necessary to process the payment for the digital good. In some cases, this is just the 5-digit zip code for the billing address of the credit card used to make payment. Using just a 5-digit zip code will, in many cases, not result in the proper calculation of the actual state and/or local sales and use taxes that are due on the transaction.

Although sellers can request full address information, some purchasers may refuse to provide the information since it really is not needed to receive the product or because of the type of product being purchased they don't want to provide their address.

The Federal Bill (Digital Goods & Services Tax Fairness Act) has been introduced on a number of occasions, which seeks uniformity for siting amongst the states and localities for digital goods and services. Given that Congress has been reluctant to pass legislation dealing with state and local tax issues, states and industry would both be well served to address this issue.

**4. Proposed Resolution/Outcome/Solution.** (Provide a description of the anticipated outcome from the workgroup. For example: Development of an interpretive rule pertaining to Section XXX of the Agreement.)

Amend the Agreement and possibly develop an interpretive rule specific to the calculation of the applicable state and/or local taxes on sales of digital goods if the purchaser only provides a 5-digit billing zip code.

#### Submit completed form to:

Craig Johnson, Executive Director  
Streamlined Sales Tax Governing Board  
100 Majestic Dr., Suite 400  
Westby, WI 54667

Email: [Craig.Johnson@SSTGB.org](mailto:Craig.Johnson@SSTGB.org)  
Phone: 608-634-6160  
[www.streamlinedsalestax.org](http://www.streamlinedsalestax.org)

#### For SST Governing Board Use

**Approved by:** [Click here to enter name.](#)      **Date:** [Click here to select a date.](#)

**Approved with Modifications** (If the Governing Board determines the request will be addressed by SLAC but in a modified format, explain the modifications to the request here):

[Click here to enter text.](#)

**Denied by:** [Click here to enter name.](#)      **Date:** [Click here to select a date.](#)

### Form F0021 Instructions

The scope of work for the State and Local Advisory Council (SLAC) is to advise the Governing Board on matters pertaining to the administration of the Streamlined Sales and Use Tax Agreement (Agreement). Matters relating to noncompliance of members with the Agreement, interpretive rules clarifying Agreement language, and revisions or additions to the Agreement are all within the scope of a SLAC work assignment. This form, as submitted by a requestor, is a public document and shall be published on the Streamlined Governing Board's website.

Any state and person making a request for a SLAC work assignment must do so by completing the **SLAC REQUEST & ASSIGNMENT FORM** and submitting it to the Executive Director of the Streamlined Sales Tax Governing Board. The Governing Board will take up the request at its next scheduled meeting or as applicable the SLAC Chair will take up the request at the next SLAC Steering Committee meeting. Any decision by the SLAC Steering Committee shall be reported to the Governing Board at its next meeting. In the interim, a request approved by the SLAC Steering Committee can be assigned to a SLAC workgroup. The Governing Board may approve, deny or modify the request at any time.

The Governing Board is not required to use this form to refer matters to SLAC. If the Governing Board refers an item to SLAC without use of this form, the Governing Board should provide written guidance to the SLAC Chair as to the expectations regarding the assigned task.

**(Note:** States or other persons requesting an interpretive opinion of existing Agreement provisions or definitions should not use this form, but should instead complete and submit the **INTERPRETATION/ DEFINITION REQUEST** form.)