

Principles of State Implementation after *South Dakota v. Wayfair*

The following list of principles offers a first step for policymakers to consider as they look to establish the new laws and regulations required to gain collection authority in lieu of the positive ruling in *South Dakota v. Wayfair*.

- States should ensure that they are fully prepared before begin enforcing their sales tax laws on remote sellers and should consider waiting until January 1, 2019 to begin sales tax collection requirements on remote sellers. States should first review their sales tax statutes in light of the Court's holding to determine whether the State has the statutory basis to require remote sellers to collect tax. If the State does not have clear statutory authority to require remote sellers to collect tax, policymakers will need to develop and enact legislation to level the playing field for all businesses.
- If the State does have statutory authority to require remote sellers to collect sales tax, the State should issue clear guidance to businesses setting forth the date by which the State expects remote sellers to register and begin collecting sales tax.
 - In issuing such guidance, States should provide as much advance notice as practicable and consider requiring registration and collection by first day of a calendar quarter.
 - States should not seek to collect taxes for prior periods and should ensure sufficient legal protections for taxpayers for non-collection of sales taxes for prior periods.
- In furtherance of efficient tax administration, States which have not already adopted the Streamlined Sales and Use Tax Agreement (SSUTA) should:
 - **Simplify the Registration Process**
 - States should collectively provide a one-stop-shop for sellers who need to register in multiple, if not all, states with a sales tax.
 - A readymade solution to this process currently exists. States should coordinate with the Streamlined Sales Tax Governing Board (SSTGB) to allow all sellers to register to collect tax via the Streamlined system at no charge to the seller, rather than through individual, state by state registrations.
 - **Centralize the Certified Software Provider (CSP) process**
 - It is widely acknowledged that technology provides the solution to the burden placed on sellers as a result of additional collection obligations.
 - States should collectively expand the certification process for CSPs beyond states that have agreed to the SSUTA.
 - States should consider implementing liability protections for sellers that use Certified Software Providers (CSPs).
 - Provide a publicly available taxability and exemption table which can be downloaded in an easily usable format and accessed electronically which indicates the taxability of products and services along with any product and service exemptions and which is regularly updated.
 - Provide a rates and boundary database in an easily downloadable format and which is regularly updated.
- Simplicity and taxpayer compliance would be greatly furthered by additional states adopting the SSUT
- States should provide a depository of materials that includes all of the information remote sellers need in order to comply with sales tax laws.