COMMON QUESTIONS
State Sales Tax Nexus Bills

Why are states doing this?

(Won’t get into this since audience is likely familiar.)
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Where were bills introduced? Which ones made it to the finish line?
COMMON QUESTIONS
State Sales Tax Nexus Bills

Why are states doing this?
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What is the legislative landscape?
Where were bills introduced? Which ones made it to the finish line?

What do these bills do?
16 states had bills

42 total bills introduced
Nexus Bill Introduction Over Time: Carryover (2015)

Map shows date of each state’s first nexus bill introduction.

(Note that in most cases several bills were introduced in each state during the session.)
Map shows date of each state’s first nexus bill introduction.

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Nexus Bill Introduction Over Time: February 2016

Map shows date of each state’s first nexus bill introduction.

(Note that in most cases several bills were introduced in each state during the session.)
Nexus Bill Introduction Over Time: March 2016

Map shows date of each state’s first nexus bill introduction.

(Note that in most cases several bills were introduced in each state during the session.)
Map shows date of each state’s first nexus bill introduction.

(Note that in most cases several bills were introduced in each state during the session.)
Nexus Bill Introduction Over Time: Today

Map shows date of each state’s first nexus bill introduction.

(Note that in most cases several bills were introduced in each state during the session.)
Current Status: Nexus Bills in 2016 Legislative Session

(Note that in most cases several bills were introduced in each state during the session; there could be a bill in several of these categories in a state.)
DIFFERING METHODS

What Do These Bills Do?

The purpose of all of these was the same: to enhance sales tax compliance by as many sellers as possible.

However, states took several different kinds of approaches.
DIFFERING METHODS

What Do These Bills Do?

1. Sales Tax Simplification Bills / Streamlined Sales Tax Bills

2. Bills That Change Nexus Requirements
   a. Attributional Nexus Bills (affiliate nexus, click-through nexus)
   b. Marketplace Provider Bills
   c. Referral Registration Bills
   d. Economic Presence Bills (ex: sales threshold or redefining what it means to “do business”)

3. Bills That Impose Reporting or Notification Requirements

4. Miscellaneous
   a. Bills Preparing for Federal Legislation
   b. Study Bills
   c. Other Types of Bills That Don’t Fit Anywhere Else
DIFFERING METHODS

What Do These Bills Do?

What we tracked this year (can show national trends).

1. Sales Tax Simplification Bills / Streamlined Sales Tax Bills

2. Bills That Change Nexus Requirements
   a. Attributional Nexus Bills (affiliate nexus, click-through nexus)
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   c. Referral Registration Bills
   d. Economic Presence Bills (ex: sales threshold or redefining what it means to “do business”)

3. Bills That Impose Reporting or Notification Requirements

4. Miscellaneous
   a. Bills Preparing for Federal Legislation
   b. Study Bills
   c. Other Types of Bills That Don’t Fit Anywhere Else
Which States Did What?

In most states, several bills were introduced & some bills had multiple provisions & fall in several categories.
Which States Did What?

(2)  Bills That Change Nexus Requirements
Which States Did What?

(2)(a) Bills That Change Nexus Requirements via Attributional Nexus (affiliate/click-through)

Bill Intro. That Changes Nexus Requirements

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Compliance Bill Introduced

No Sales Tax
Which States Did What?

(2)(b) Bills That Change Nexus Requirements via Marketplace Provider

Bill Intro. That Changes Nexus Requirements

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Compliance Bill Introduced

No Sales Tax
Which States Did What?

(2)(c) Bills That Change Nexus Requirements via Referral Registration

Bill Intro. That Changes Nexus Requirements

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Compliance Bill Introduced

No Sales Tax
(2)(d) Bills That Change Nexus Requirements via Economic Presence (for example, via a sales threshold or redefining what it means to do business)
(3) Bills That Impose Reporting or Notification Requirements

Bill Intro. Imposing Reporting / Notification Req.

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Bill Introduced

No Sales Tax
Which States Did What?

(4) Miscellaneous Related Bills

Misc. Sales Tax Compliance Bills Introduced

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Compliance Bill Introduced

No Sales Tax
Which States Did What?

(4)(a) Miscellaneous Related Bills – Bills Preparing for Federal Legislation

United States Map with states color-coded:
- **Misc. Sales Tax Compliance Bills Introduced**:
  - IL
- **Other Type of Sales Tax Compliance Bill Introduced**:
  - NE
- **No Sales Tax Compliance Bill Introduced**:
  - MA
- **No Sales Tax**:
  - OR, AK

Legend:
- VT
- NJ
- DE
- RI
- CT
- NH
- MA
- MD
- HI
Which States Did What?

(4)(b) Miscellaneous Related Bills – Study Bills

- **Misc. Sales Tax Compliance Bills Introduced**
  - RI
  - CT
- **Other Type of Sales Tax Compliance Bill Introduced**
  - MA
- **No Sales Tax Compliance Bill Introduced**
  - No Sales Tax

States shaded in orange indicate where these bills were introduced.
(4)(c) Miscellaneous Related Bills – Bills That Don’t Fit Anywhere Else But Are Related

Misc. Sales Tax Compliance Bill Introduced

Other Type of Sales Tax Compliance Bill Introduced

No Sales Tax Compliance Bill Introduced

No Sales Tax
2016 LEGISLATION

Takeaways

✓ 42 bills introduced in 16 states.

✓ Of those, 4 states enacted bills (LA, OK, SD, and VT).

✓ Attributional nexus bills were by far the most popular, but there were several other approaches taken.

✓ States that enacted legislation used the attributional nexus, economic presence, and reporting/notification requirement approaches.
STATE LEGISLATIVE LANDSCAPE:
SALES TAX NEXUS

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