

1 SALES AND USE TAX REPORTING REQUIREMENTS

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 Chief Sponsor: Wayne A. Harper

5 House Sponsor: _____

6
7 LONG TITLE

8 General Description:

9 This bill amends provisions related to sales and use taxes.

10 Highlighted Provisions:

11 This bill:

- 12 ▶ defines terms; and
- 13 ▶ requires a report to the State Tax Commission relating to certain out-of-state sellers.

14 Money Appropriated in this Bill:

15 None

16 Other Special Clauses:

17 This bill provides a special effective date.

18 Utah Code Sections Affected:

19 ENACTS:

20 **59-12-107.6**, Utah Code Annotated 1953

21
22 *Be it enacted by the Legislature of the state of Utah:*

23 Section 1. Section **59-12-107.6** is enacted to read:

24 **59-12-107.6. Noncollecting seller report to commission.**

25 (1) As used in this section:

26 (a) "Last day of a calendar quarter" means:

27 (i) March 31;



- 28 (ii) June 30;
29 (iii) September 30; or
30 (iv) December 31.
- 31 (b) "Noncollecting seller" means a person that:
32 (i) is not required to collect and remit a tax under this chapter;
33 (ii) does not voluntarily collect and remit a tax under this chapter;
34 (iii) during the previous calendar quarter, makes sales of remote goods or services
35 totaling more than \$2,500 to a person or persons in the state using a selling platform; and
36 (iv) ships or transfers the remote goods or services into the state for storage, use, or
37 consumption by the purchaser.
- 38 (c) "Remote goods or services" means:
39 (i) tangible personal property transferred from outside the state;
40 (ii) a product transferred electronically from outside the state; or
41 (iii) a service performed outside the state on:
42 (A) tangible personal property transferred from the state that is returned to the state
43 after the service is performed;
44 (B) a product transferred electronically from the state that is returned to the state after
45 the service is performed; or
46 (C) a product that a service provider accesses electronically from outside the state.
- 47 (d) "Selling platform" means a service by or through which a person sells goods or
48 services.
- 49 (2) (a) The owner of a selling platform shall, on or before the last day of each calendar
50 quarter, file a report with the commission that includes the name and physical or email address
51 of each noncollecting seller that used the selling platform during the previous calendar quarter.
- 52 (b) Upon receiving a report described in Subsection (2)(a), the commission shall send a
53 notice to each noncollecting seller identified in the report:
54 (i) informing the noncollecting seller of a Utah purchaser's obligation to remit the state
55 use tax due for the remote goods or services purchased by the Utah purchaser from the
56 noncollecting seller; and
57 (ii) encouraging the noncollecting seller to inform the Utah purchaser of the obligation
58 to remit to the state the use tax due for the remote goods or services purchased by the Utah

59 purchaser from the noncollecting seller.

60 Section 2. **Effective date.**

61 This bill takes effect on July 1, 2016.

Legislative Review Note
Office of Legislative Research and General Counsel