

Sales/Use/Indirect:

Streamlined Sales Tax Governing Board Approves SSUTA Changes on Sourcing Digital Goods Transactions

Motion by Minnesota to amend sections 305, 306, 308, 309 and 310 of the SSUTA to address sourcing transactions when complete street address information is not needed to transfer or deliver products to customers, Streamlined Sales Tax Governing Board (approved 7/18/24). At a recent virtual meeting, the Streamlined Sales Tax Governing Board approved final amendments to Streamlined Sales and Use Tax Agreement (SSUTA) provisions addressing the sourcing of transactions involving digital goods when complete street address information is not needed to transfer or deliver the underlying products to customers. Among the changes, these SSUTA amendments provide that:

URL: <https://www.streamlinedsalestax.org/docs/default-source/amendments/2024-amendments/sl23022a07---am24002a02-sourcing-without-complete-address-version-2---omaha-gb.pdf>

1. A SSUTA member state that has local jurisdictions that levy a sales or use tax, may assign the highest, lowest, or blended rate in the five-digit zip code area, if the area includes more than one tax rate in any level of taxing jurisdiction; and
2. A SSUTA member state that has local jurisdictions that levy a sales or use tax, must assign the lowest combined tax rate imposed in a nine-digit zip code area if the area includes more than one tax rate in any level of taxing jurisdiction.

Under the SSUTA, each member state that has local jurisdictions that levy a sales or use tax must provide and maintain a database that assigns the proper tax rates and jurisdictions to each five-digit and nine-digit zip code within the member state. Other recent amendments to the SSUTA provide some underlying “seller liability” and “seller liability relief” provisions for member states and/or sellers when purchasers fail to provide requested address information and/or sellers fail to adequately exercise due diligence in requesting such address information at the time of sale. Please contact us with any questions.

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