



STATE LEGISLATIVE LANDSCAPE: SALES TAX NEXUS



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COMMON QUESTIONS

State Sales Tax Nexus Bills



**Why are
states doing this?**

(Won't get into
this since audience
is likely familiar.)

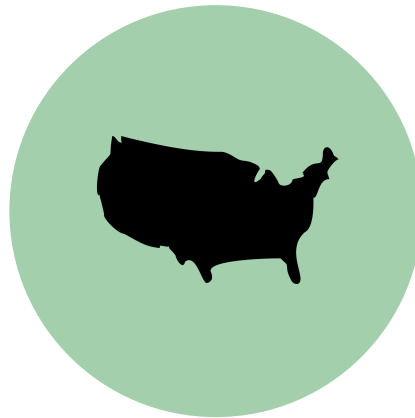
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What is the legislative landscape?

Where were bills introduced? Which ones made it to the finish line?

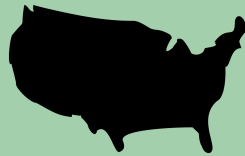
COMMON QUESTIONS

State Sales Tax Nexus Bills



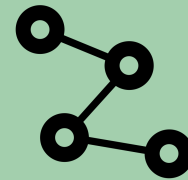
Why are states doing this?

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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?

Who did what?
Differing approaches and national trends.

16

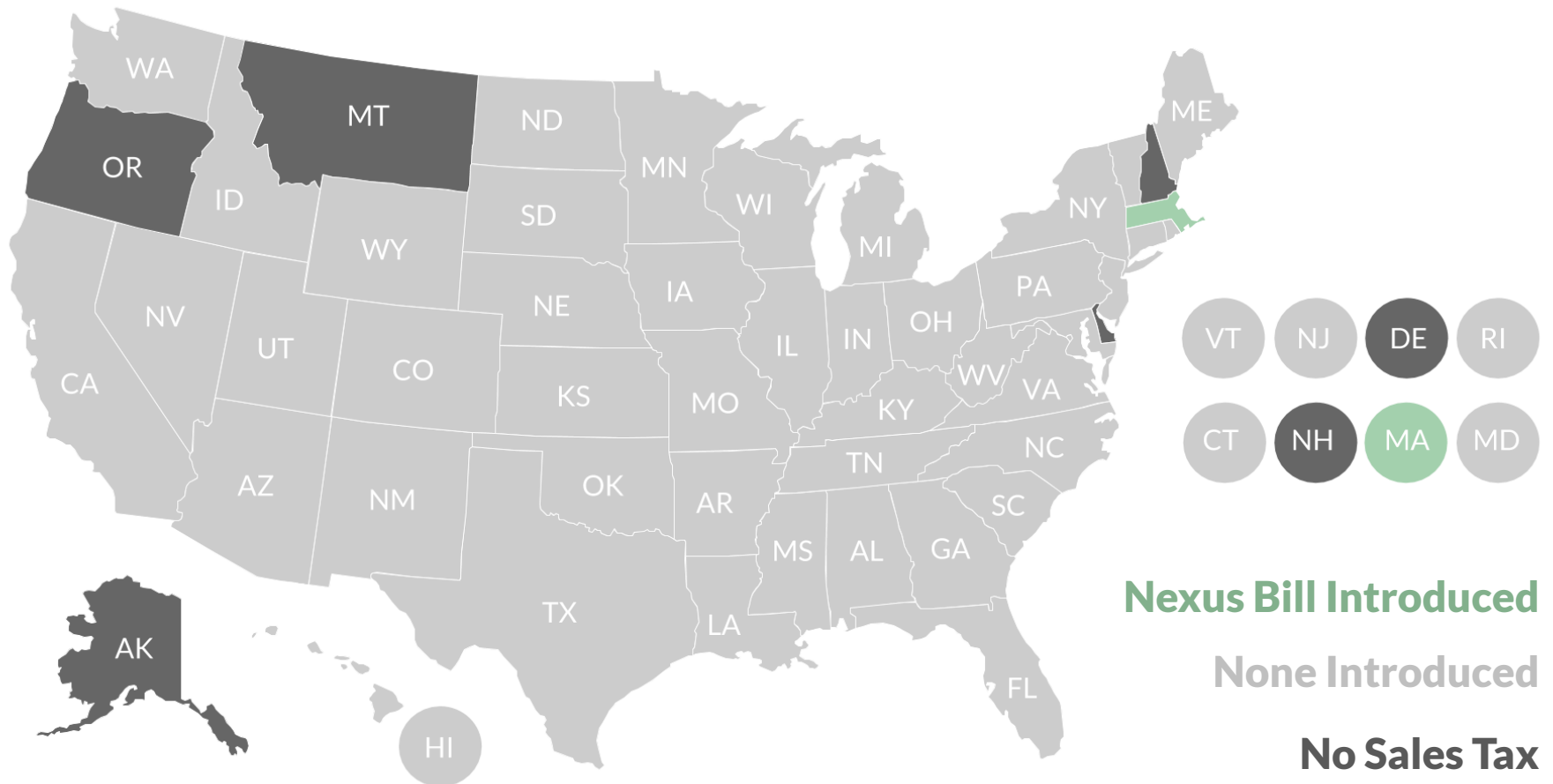
states had bills

42

total bills introduced

Nexus Bill Introduction Over Time: Carryover (2015)

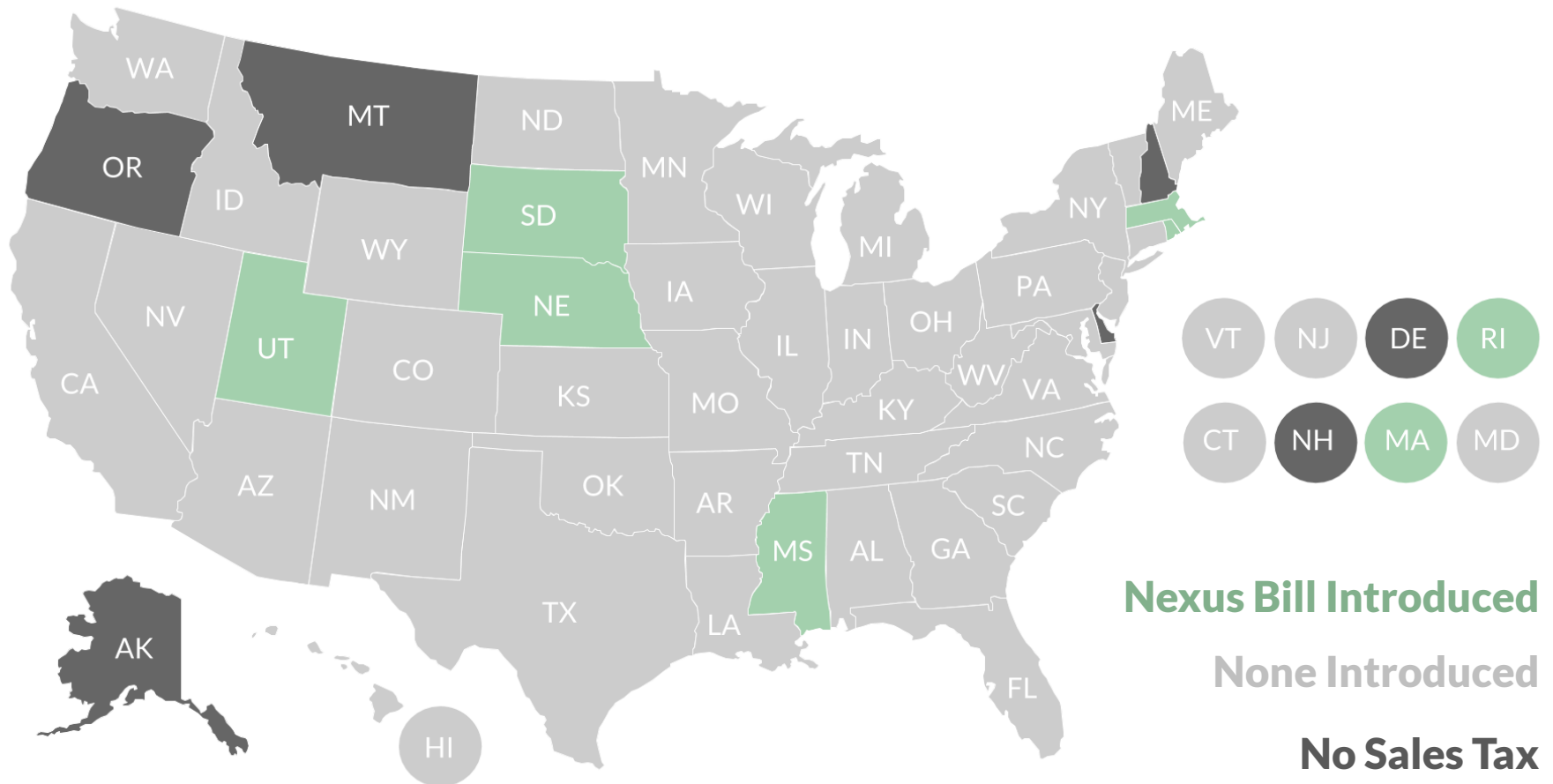
Map shows date of each state's first nexus bill introduction.



(Note that in most cases several bills were introduced in each state during the session.)

Nexus Bill Introduction Over Time: January 2016

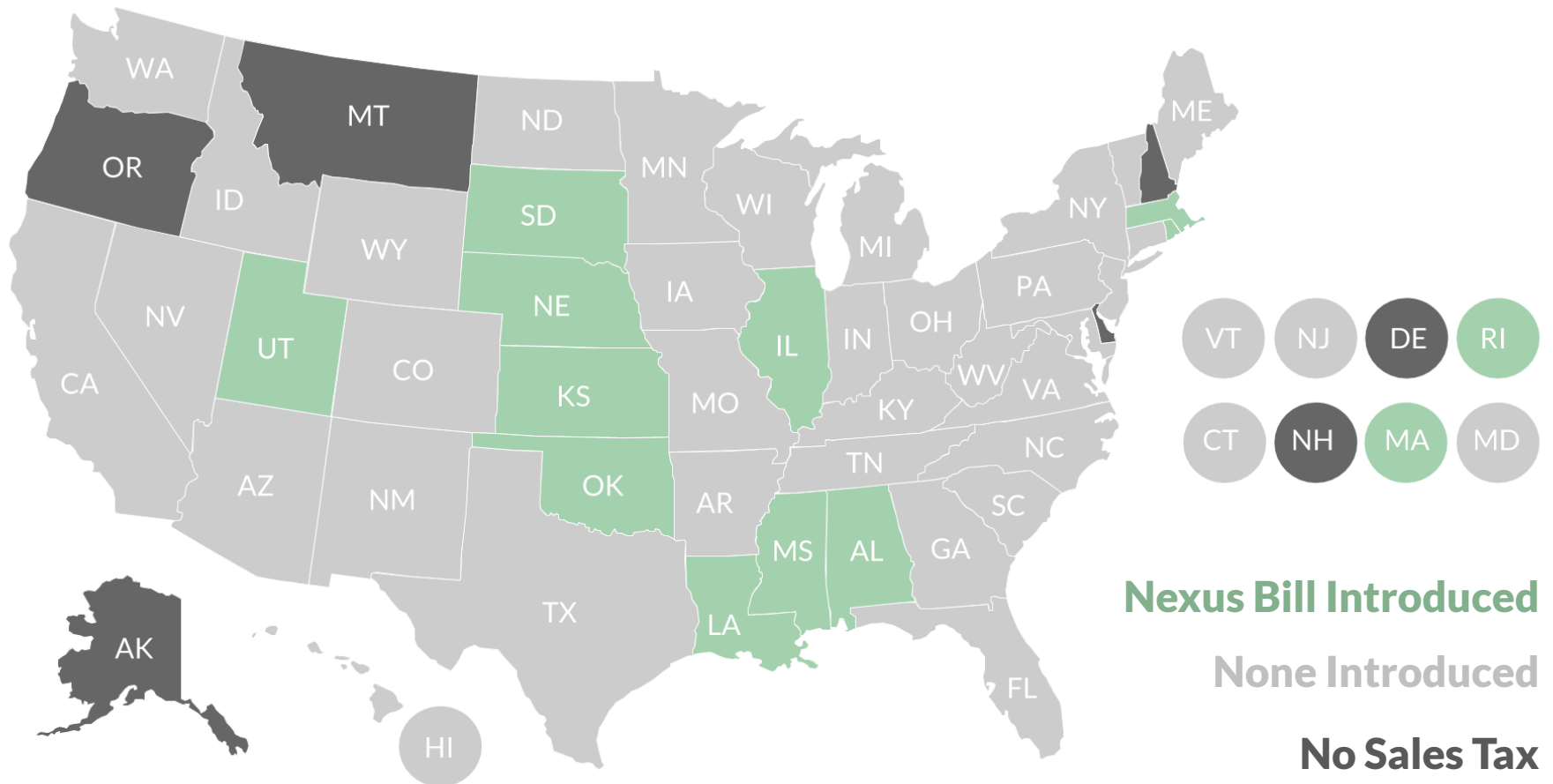
Map shows date of each state's first nexus bill introduction.



(Note that in most cases several bills were introduced in each state during the session.)

Nexus Bill Introduction Over Time: February 2016

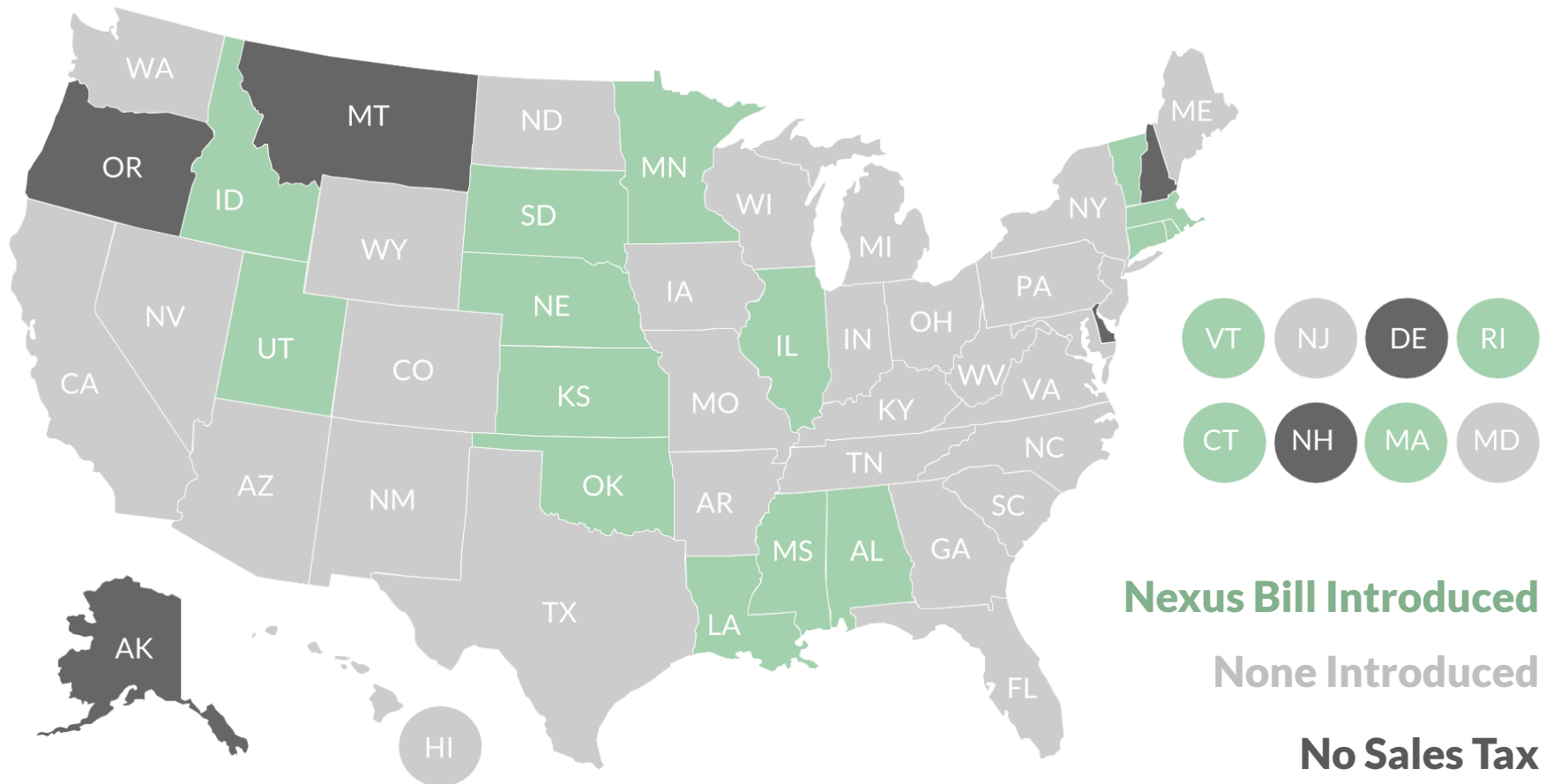
Map shows date of each state's first nexus bill introduction.



(Note that in most cases several bills were introduced in each state during the session.)

Nexus Bill Introduction Over Time: March 2016

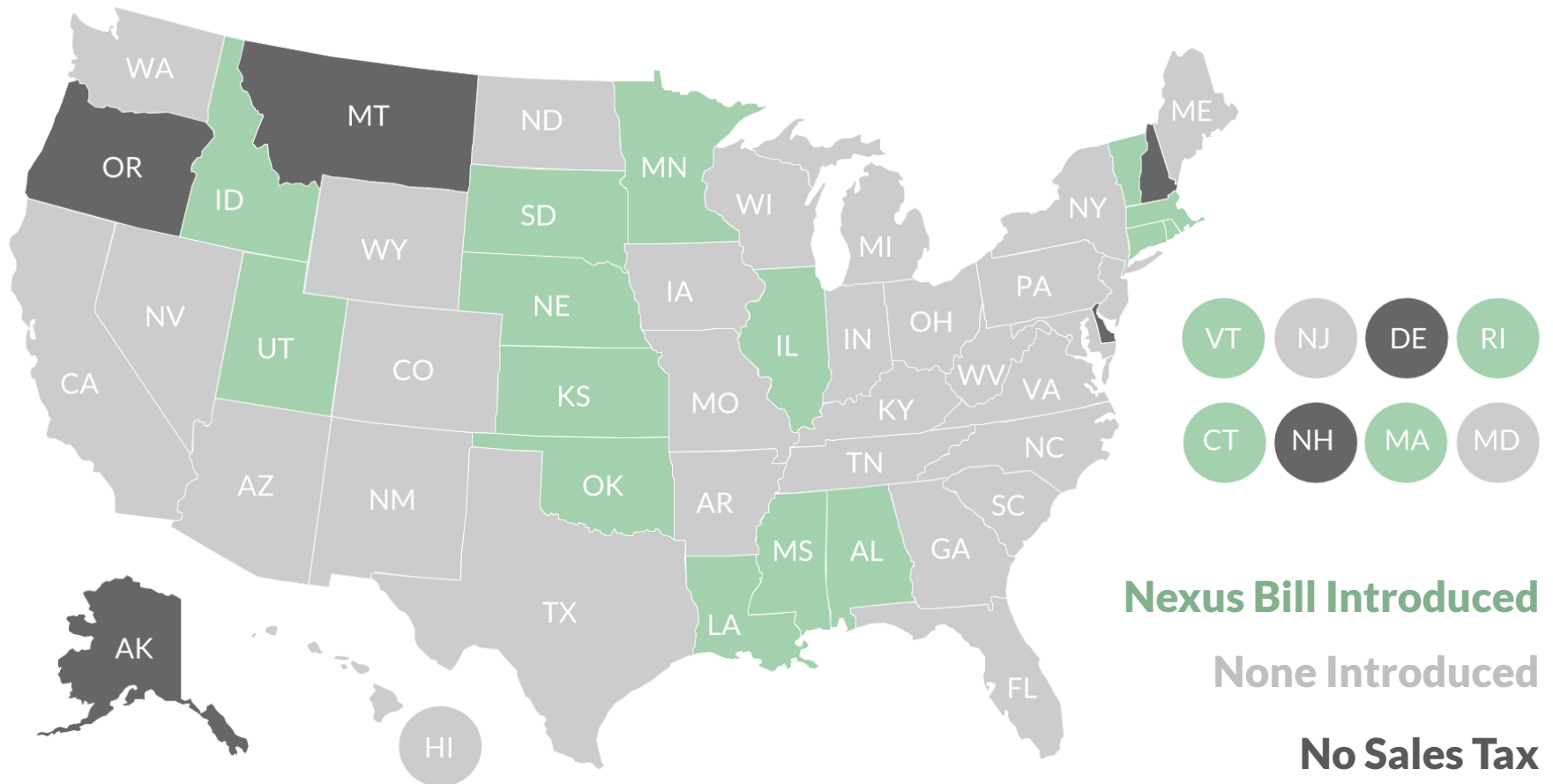
Map shows date of each state's first nexus bill introduction.



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Nexus Bill Introduction Over Time: April 2016

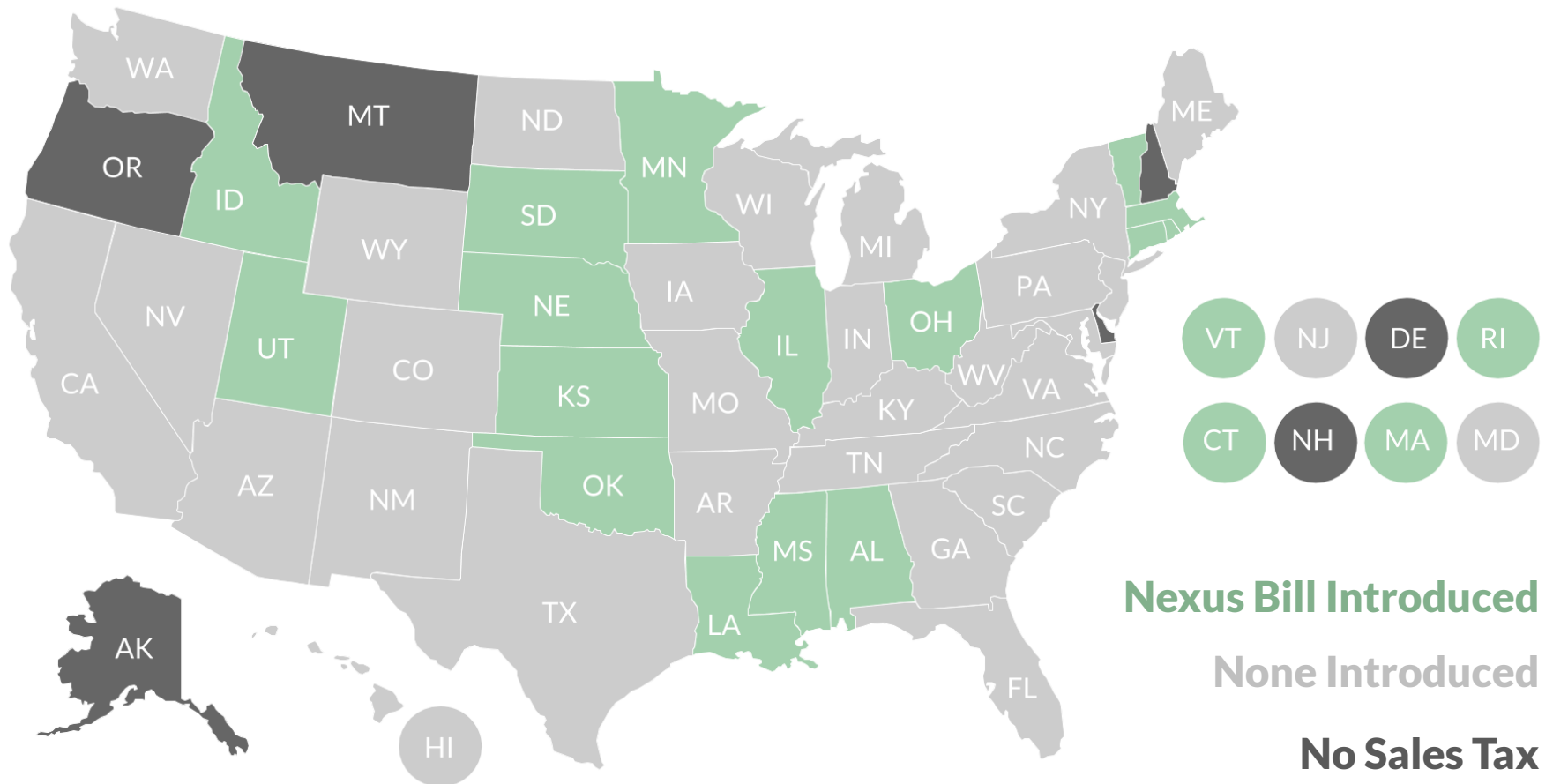
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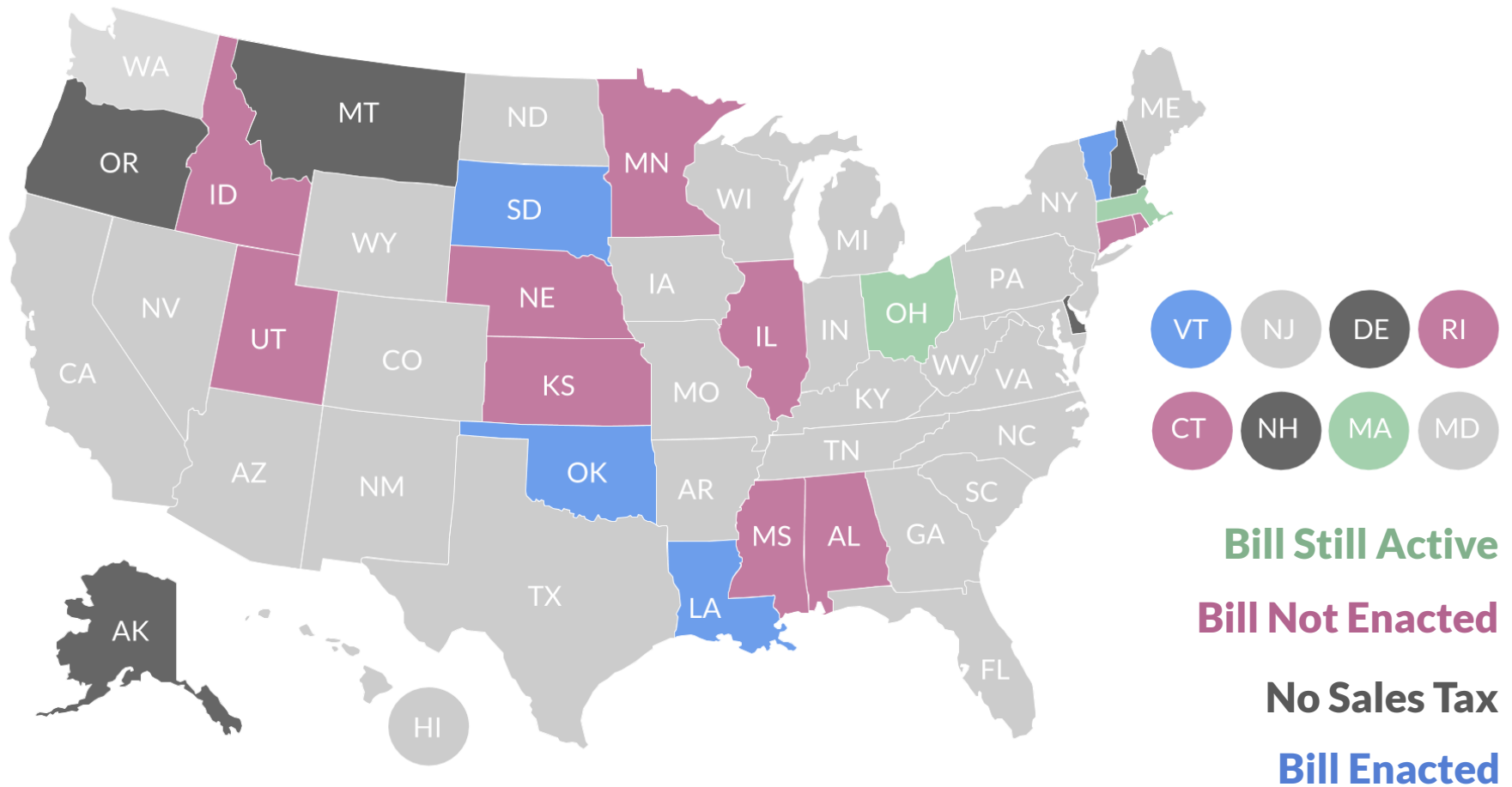
Nexus Bill Introduction Over Time: Today

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)
- b. Marketplace Provider Bills
- c. Referral Registration Bills
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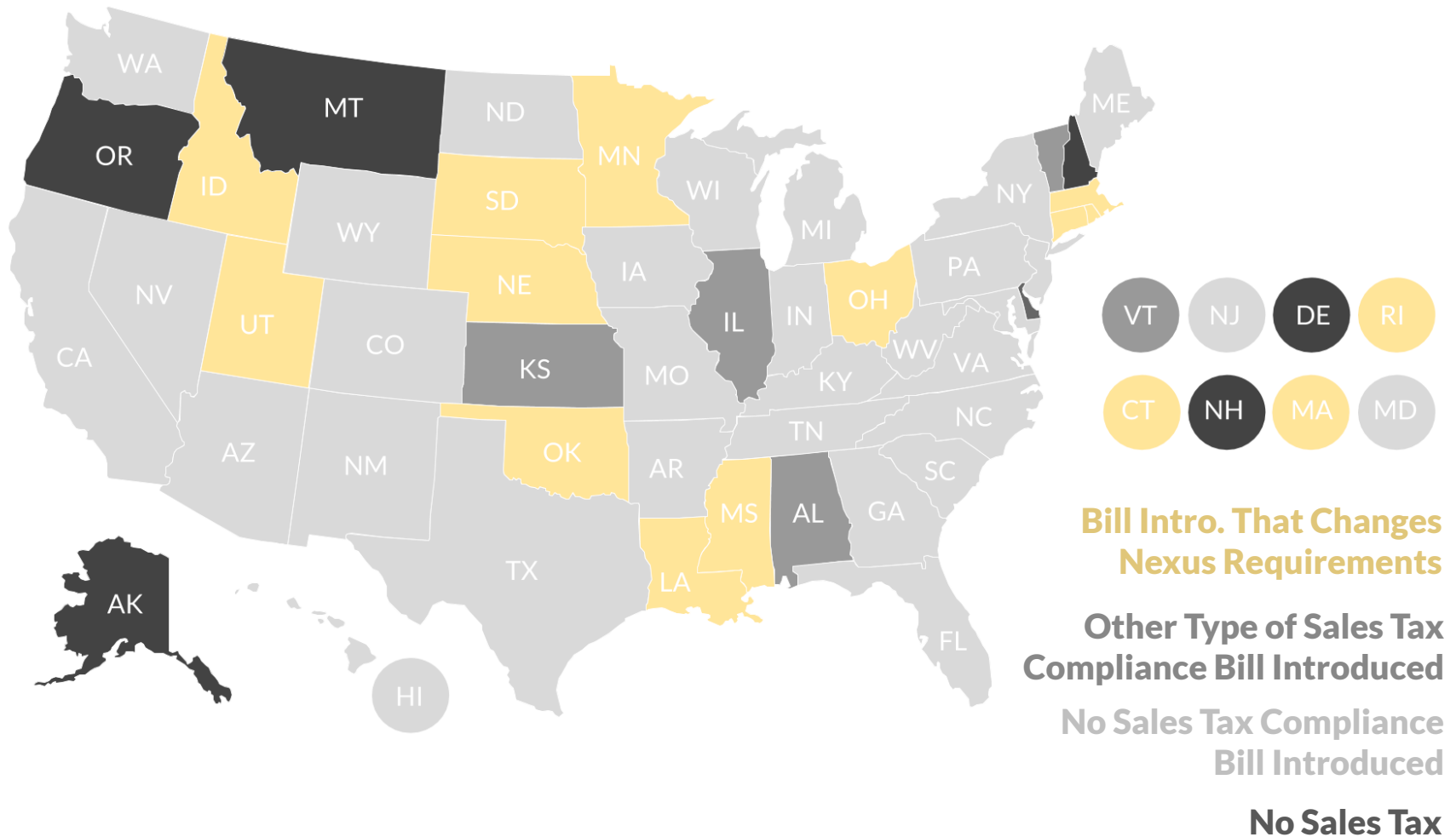
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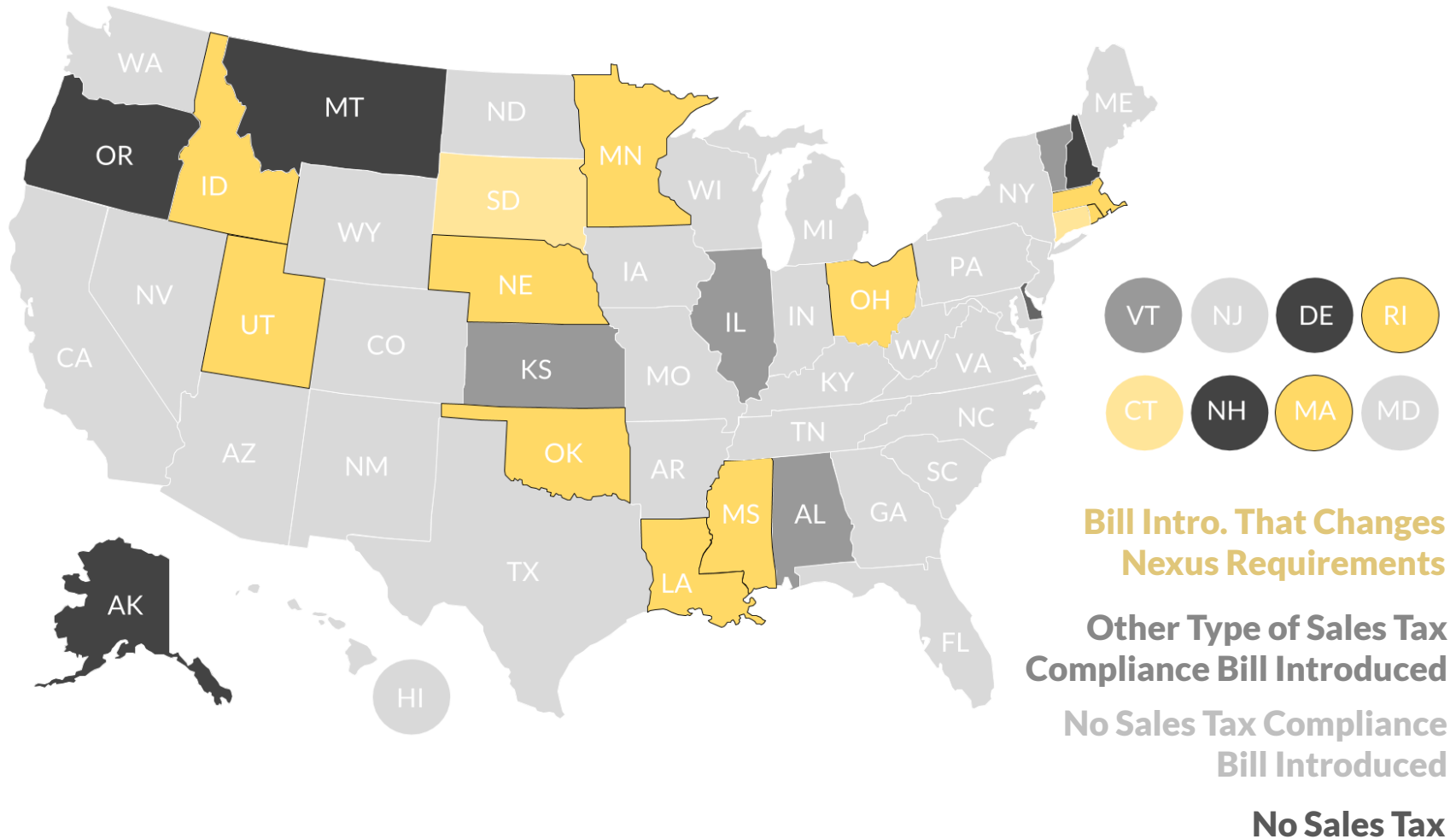
Which States Did What?

(2) Bills That Change Nexus Requirements



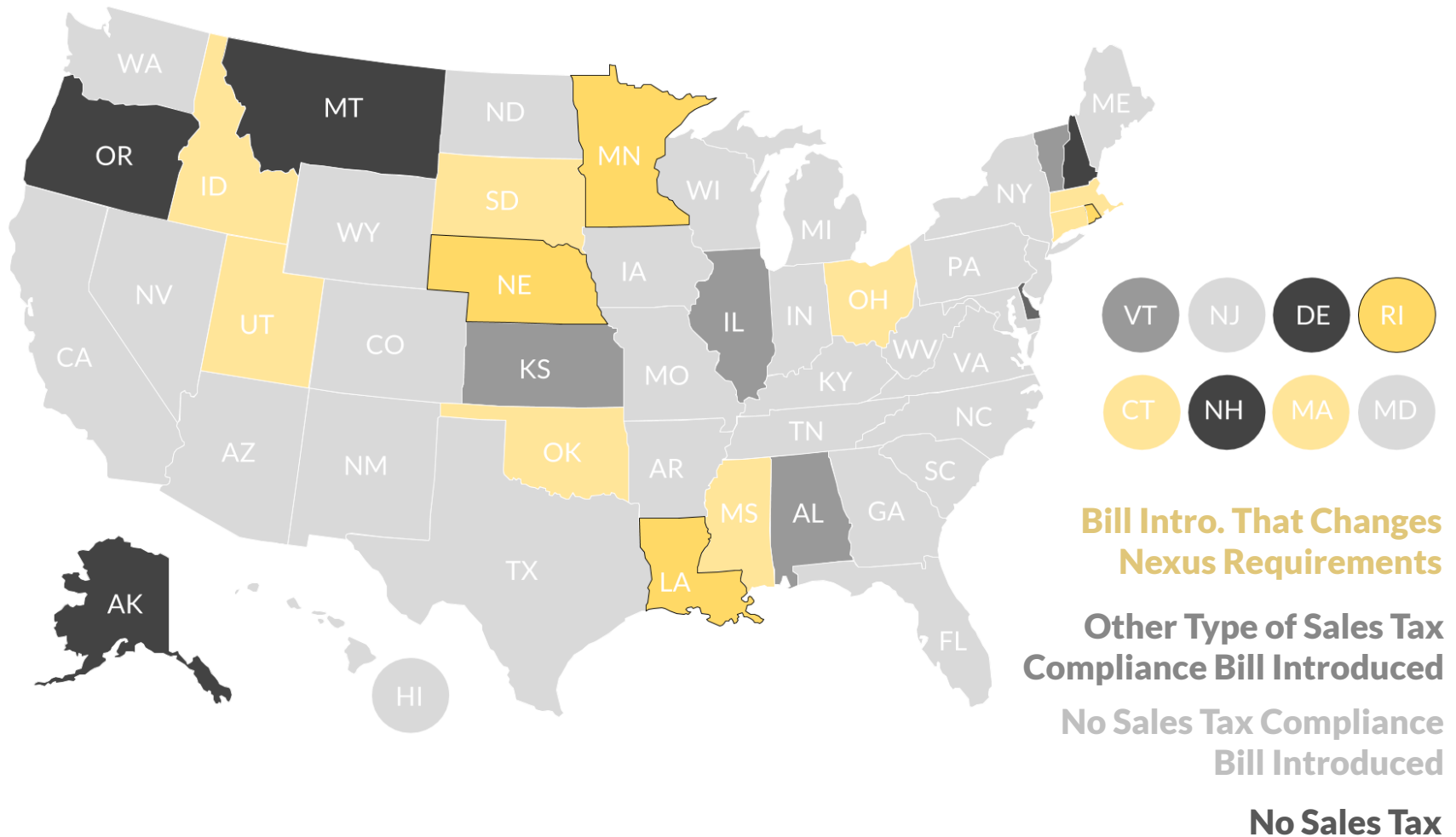
Which States Did What?

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



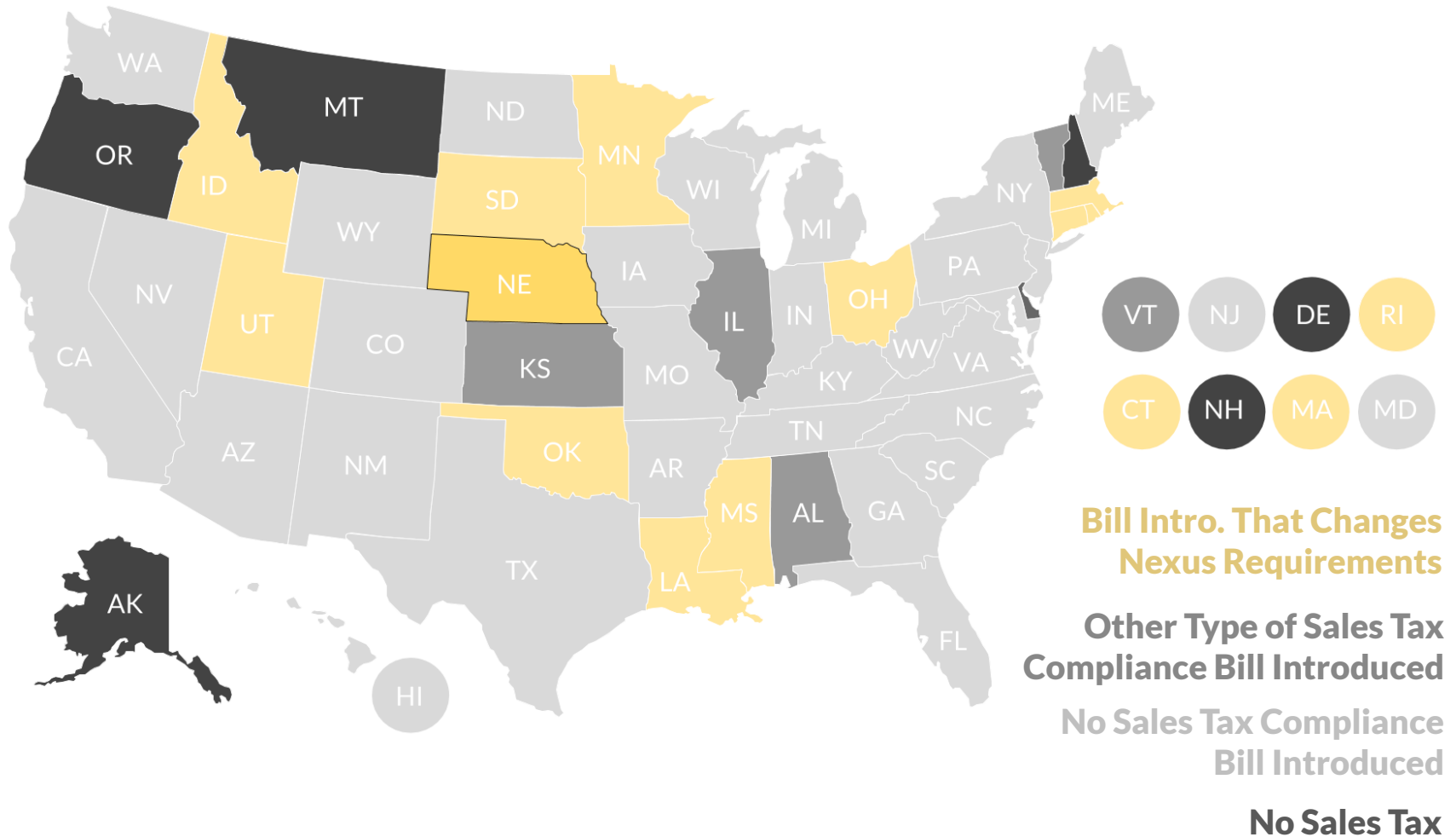
Which States Did What?

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



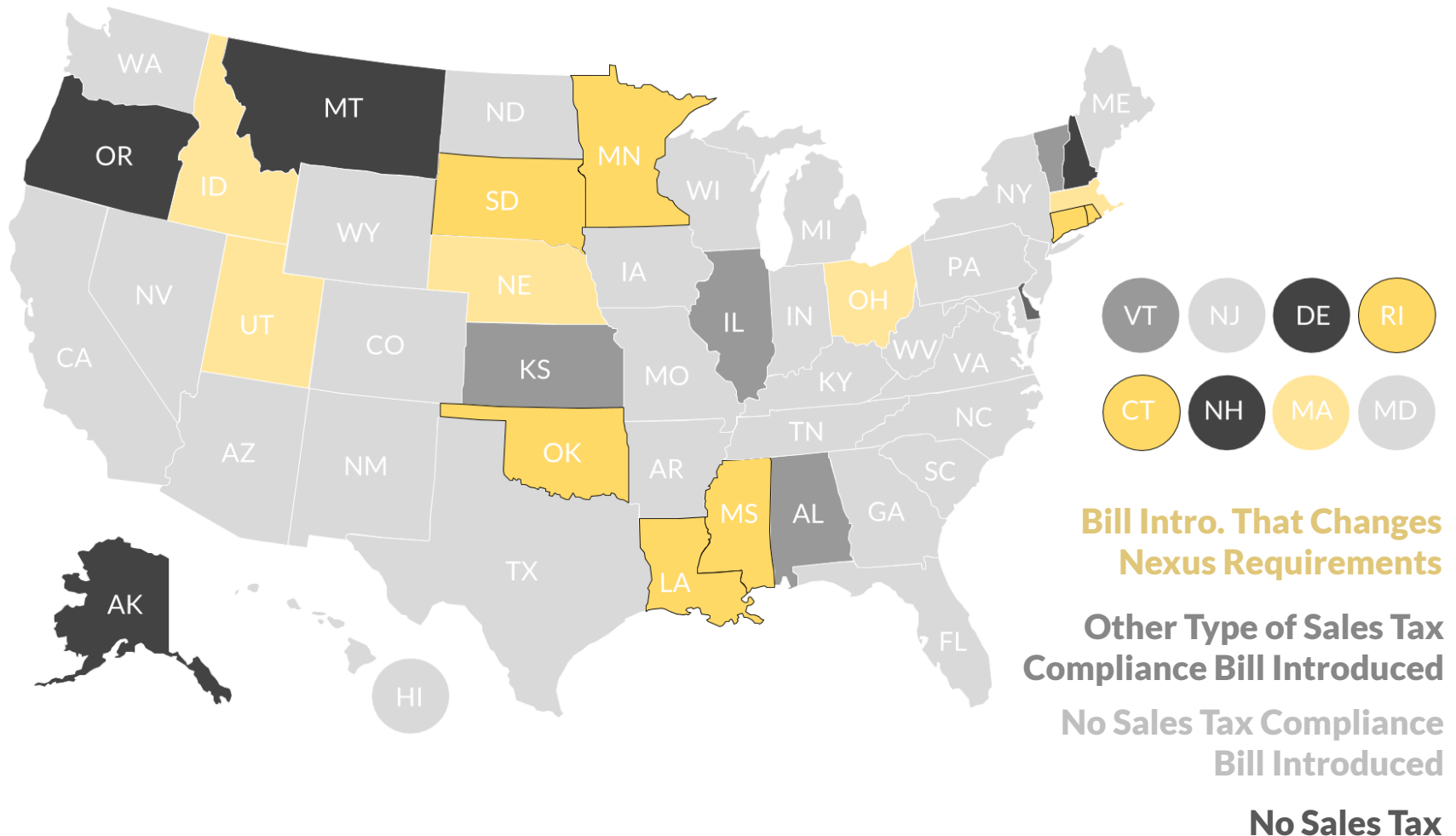
Which States Did What?

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



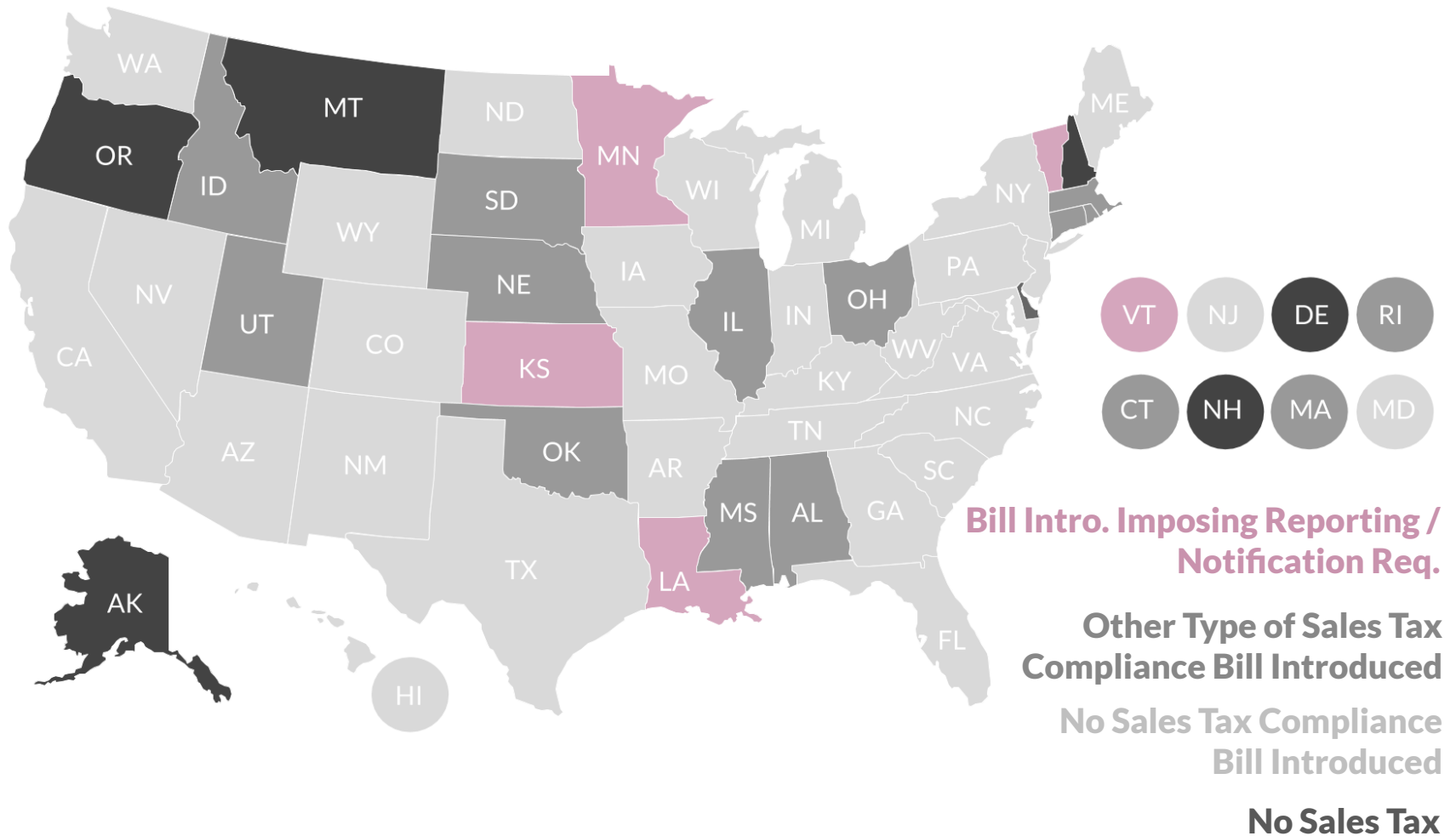
Which States Did What?

(2)(d) Bills That Change Nexus Requirements via **Economic Presence** (for example, via a sales threshold or redefining what it means to do business)



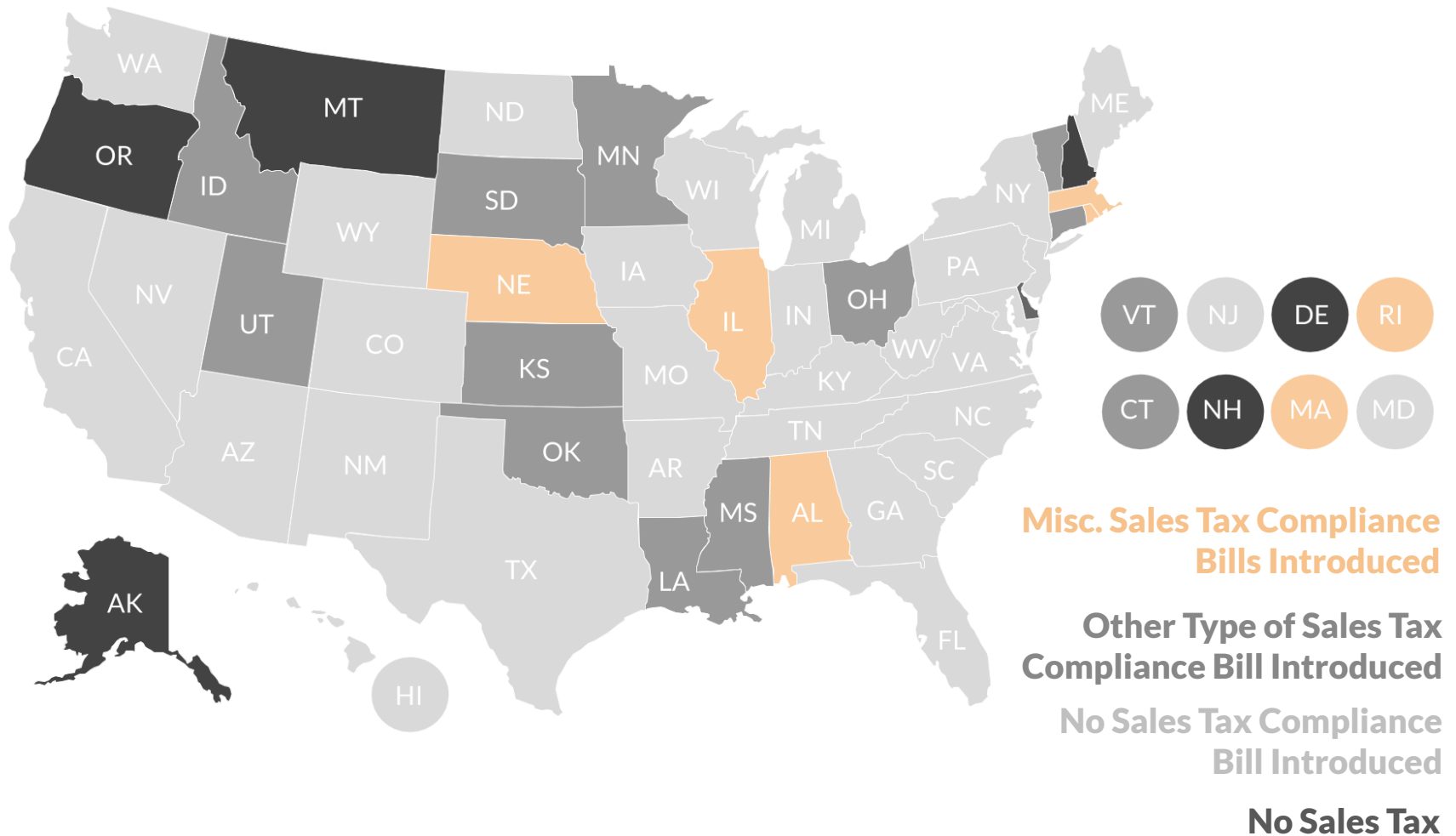
Which States Did What?

(3) Bills That Impose Reporting or Notification Requirements



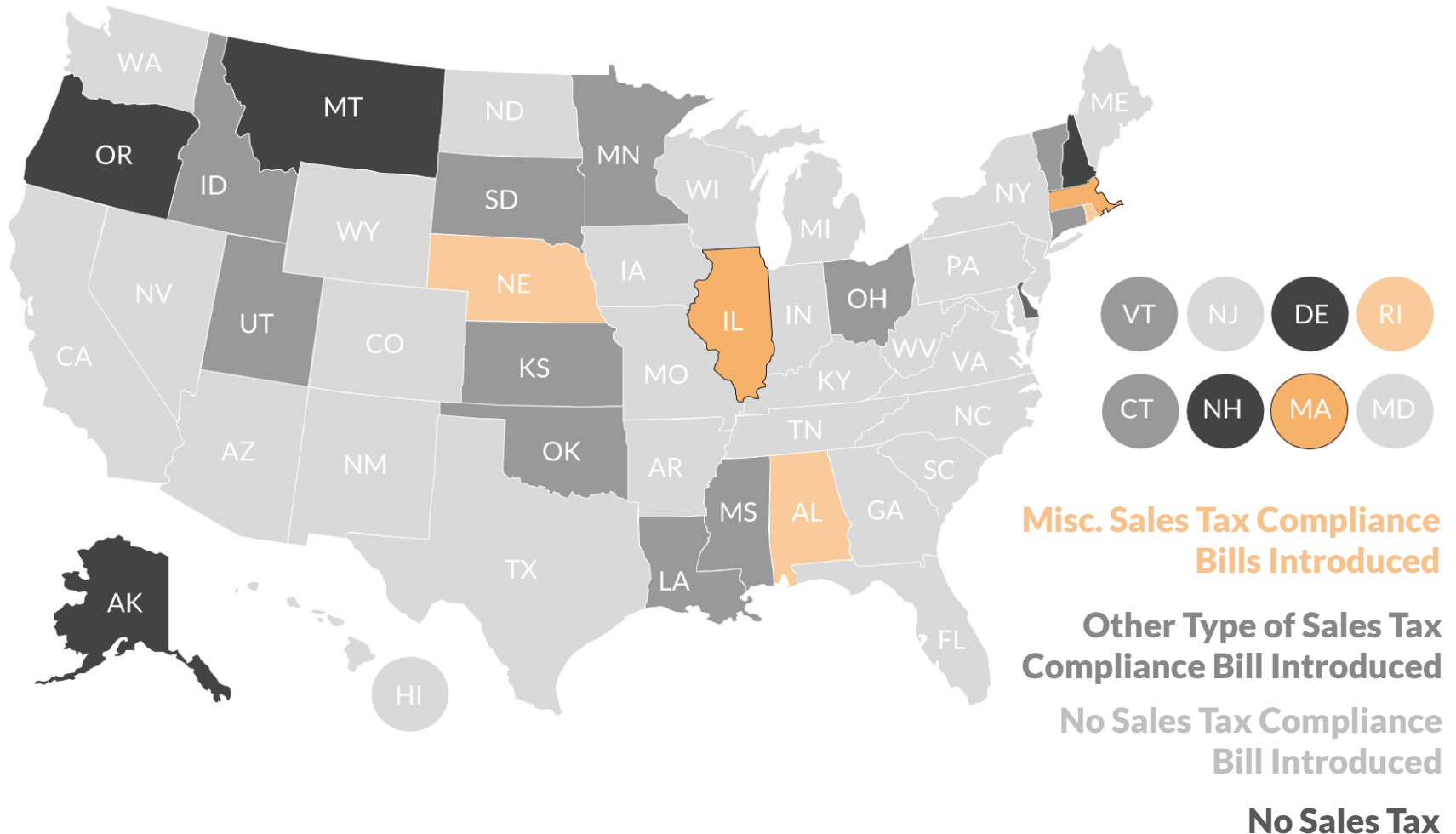
(4) Miscellaneous Related Bills

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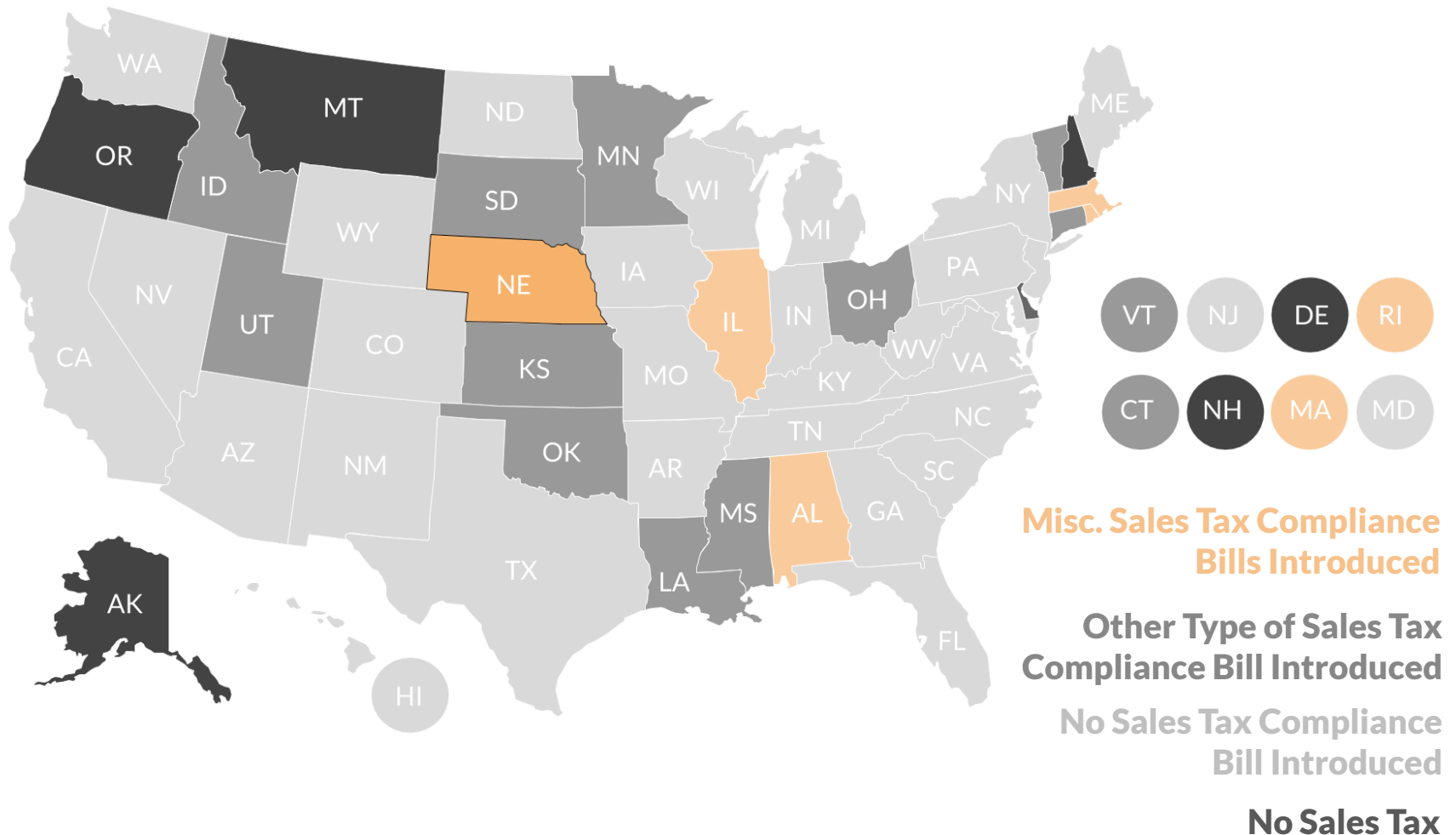
Which States Did What?

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



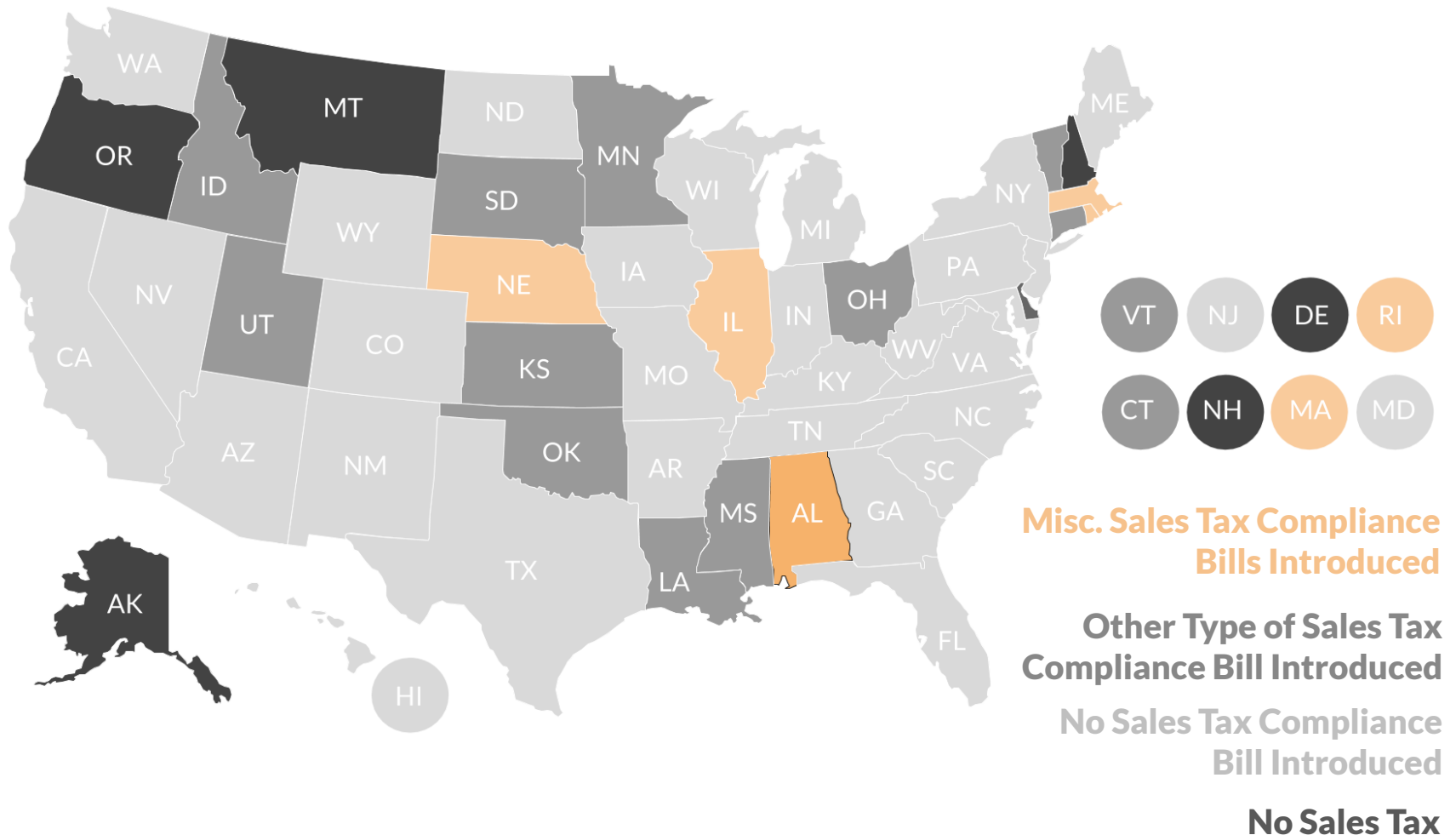
Which States Did What?

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



Which States Did What?

(4)(c) Miscellaneous Related Bills – **Bills That Don't Fit Anywhere Else But Are Related**



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.



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