



SALES TAX ON DIGITAL GOODS & SERVICES UNIFORMITY PROJECT

**POLLING RESULTS FROM APRIL 30, 2024
UNIFORMITY COMMITTEE MEETING**

IS THE MTC DIGITAL PROJECT MOVING TOO FAST (TOO MUCH TIME ON RESEARCH AND STUDY), TOO SLOW (NOT ENOUGH TIME ON RESEARCH AND STUDY), OR AT A GOOD PACE GENERALLY?

- Too fast – 6; Too slow – 18; Just right – 35

IS THE PROJECT SCOPE STILL APPROPRIATE? IF NOT, WHAT SHOULD CHANGE?

- 15 people said project scope was appropriate; no comments of note.

ARE THESE GUIDING PRINCIPLES APPROPRIATE? IF NOT, WHAT SHOULD CHANGE OR WHAT ARE WE MISSING?

- 18 people responded with 15 saying the principles are appropriate. Two noted that taxing all retail sales would be problematic and one said there were too many principles so we should distill them down.

HOW CAN THE MTC COULD WORK MORE COLLABORATIVELY WITH THE STREAMLINED STATES, FTA, AND NCSL?

- Streamlined: model legislation; FTA: admin nuts and bolts; MTC: content as concept.
- Streamline lead on sourcing.
- There is a phone/GoTo Meeting option for Streamlined meetings. Non-member states and the business community are welcome to attend those, too.
- Develop joint webpage for all groups to post updates.
- It may be difficult because of the different orientation of the various groups, but we need to continue to look for common areas.
- Could MTC host a collaborative panel from all four groups on the topic?
- Collaborative panel from all groups would be insightful for state legislature inputs and standing.
- Agree, panel is good idea

IS THE MTC MISSING ANYTHING WITH RESPECT TO THE TAXATION OF BUSINESS INPUTS AND DIGITAL PRODUCTS? IF SO, WHAT ELSE NEEDS TO BE STUDIED?

- Reconciliation of sourcing conflicts - binding arbitration between states that assert sourcing over the same receipt
- Nope
- It can be hard to know who the final customer is.
- Is only considering a sales tax too limiting?
- Gross receipts tax instead of sales tax?
- Delivery in a digital form shouldn't change the taxable status. For example, an attorney opinion letter emailed to the client shouldn't trigger taxation as a "digital service"

ARE THERE ANY TRENDS OR DEVELOPMENTS THAT WE ARE MISSING? ANY OTHER THOUGHTS TO SHARE ON STATE ACTIVITIES AND TAXATION OF DIGITAL PRODUCTS?

- Virtual products/real estate

ANY OTHER THOUGHTS FOR THE UNIFORMITY COMMITTEE OR WORK GROUP ON THIS PROJECT?

- Read the Ray Langenberg proposed uniform definitions. The chili needs to simmer.
- Looking forward to the matrix and spreadsheet.
- Keep up the great effort. This is a valuable project. It's hard, but we can do hard things if we work together.

PRIMARY TAKEAWAYS FROM THE APRIL 30, 2024 UC SURVEY

- The pace of the project seems fine overall, but staff are aware that showing results and moving things forward is important.
- We should be mindful of the guiding principles and revisit/refine them throughout the project.
- Multiple people noted we should get all the state-related organizations together to discuss the topic; we are working to make that happen. There is clear interest in making sure the MTC works with other related organizations.
- People are still looking for guidance on definitions.