

Multistate Tax Commission Fall Meeting

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Marketplace Facilitator Certificate – Background

- Most marketplace facilitator laws require the marketplace facilitator to collect and remit sales tax on behalf of the marketplace seller.
- For marketplace sellers that are remote sellers and may not be registered to collect and remit sales tax in states, there is often little resistance to the marketplace facilitator collecting and remitting sales tax on behalf of such sellers.
- However, for “local” marketplace sellers that are currently collecting and remitting sales tax (e.g. restaurants, grocery stores, retail stores), there is more resistance from the seller to shifting sales tax collection and remittance to the marketplace facilitator.

Marketplace Facilitator Certificate - Background

- These “local” marketplace sellers are concerned that if they allow sales tax collection and remittance to be transferred to the marketplace facilitator (for sales it facilitates), the seller may still be held liable by the states.
- In some instances these marketplace sellers are refusing to “turn off” sales tax collection and remittance – meaning both the seller and the marketplace are collecting and remitting tax.
- In other instances, marketplace sellers are asking marketplace facilitators to provide them with certification on a state accepted form that the marketplace facilitator will be collecting and remitting sales tax on sales they facilitate on behalf of the marketplace seller, before the seller will “turn off tax.”

Marketplace Facilitator Certificate - Background

- Most states don't require the marketplace facilitator to do anything official other than collect and remit sales tax on sales it facilitates.
- Some states require the marketplace facilitator to notify the marketplace seller that it will collect and remit sales tax on sales it facilitates.
- Only a few states have "official" marketplace facilitator certification/notification forms (e.g., Colorado, Illinois).

Marketplace Facilitator Certificate – Sample Form

MARKETPLACE FACILITATOR COLLECTION CERTIFICATE – MULTI JURISDICTION

This certificate informs the Marketplace Seller listed below that the Marketplace Facilitator will collect and remit sales or use tax and other required taxes on sales through the Marketplace Facilitator's platform effective in the jurisdictions in which it is registered as indicated below. As of this date, the Marketplace Seller will no longer be required to collect and remit sales or use tax and other required taxes on such sales.

Marketplace Facilitator Information:

Business Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Marketplace Seller's Information:

Business Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Jurisdiction	Marketplace Facilitator Sales & Use Tax Registration or Permit Number	Collection Date	Jurisdiction	Marketplace Facilitator Sales & Use Tax Registration or Permit Number	Collection Date
AK/ARSSTC			MO		
AL			NE		
AR			NV		
AZ			NJ		
CA			NM (GET)		
CO			NY		
CT			NC		
DC			ND		
FL			OH		
GA			OK		
HI			PA		
ID			RI		
IL			SC		
IN			SD		
IA			TN		
KS			TX		
KY			UT		
LA			VT		
ME			VA		
MD			WA		
MA			WV		
MI			WI		
MN			WY		
MS					

Under penalties of perjury, I swear or affirm that the information on this notice is true and correct as to every material matter described above.

Printed Name – Marketplace Facilitator Authorized Signer

Title

Marketplace Facilitator Certificate – Sample Form

INSTRUCTIONS

In order to ensure compliance with state and local tax requirements, the Marketplace Seller may request certification from the Marketplace Facilitator that it will collect and remit the sales or use tax and other required taxes on sales facilitated through the Marketplace Facilitator's platform. If requested by the Marketplace Seller, the Marketplace Facilitator may complete this certification indicating those states where it is collecting sales and use tax and other required taxes on sales facilitated through its platform on behalf of the Marketplace Seller. Once this notice is completed, a copy should be kept in both parties' records for audit purposes.

Marketplace Facilitator Certificate Form - Purpose

- The form is intended to be optional.
 - The form could be provided by a marketplace facilitator to a marketplace seller.
 - The form could also be requested by the marketplace seller from the marketplace facilitator.
- The form is intended to “certify” that the marketplace facilitator agrees that it is going to register, collect and remit taxes on behalf of the marketplace seller for sales the marketplace facilitator facilitates.
- It also indicates that the marketplace seller is no longer required to collect and remit tax on such sales.
- The marketplace facilitator would provide its registration number in the relevant states where it is collecting and remitting sales tax for the marketplace seller.

Marketplace Facilitator Certificate - Purpose

- Marketplace facilitators are regularly “signing up” new marketplace sellers so the “collection date” was added. This date may be different from the effective date of the marketplace law if a seller was onboarded after the law became effective.
- To the extent that the state requires the marketplace facilitator to collect other taxes, the form is also intended to apply to the other taxes.
 - State specific nuances can be addressed in footnotes.
- We would like as many states as possible to approve the use of the form and are willing to accommodate state specific issues in footnotes, as needed