Streamlined Sales and Use Tax Agreement (SSUTA)

The Streamlined Sales and Use Tax Agreement is the result of the cooperative efforts of states, the District of Columbia, local governments and the business community to simplify and increase uniformity in sales and use tax collections and administration by retailers and states. The National Governor's Association and the National Conference of State Legislatures initiated efforts in the fall of 1999 that eventually led to creation of the SST Governing Board that administers the Agreement.

The SSUTA minimizes costs and administrative burdens on retailers that collect sales tax, particularly retailers operating in multiple states. It encourages "remote retailers" selling over the Internet and by mail order to collect tax on sales to customers living in the Streamlined states.

Simplification requirements within the SSUTA are as follows:
1. state level administration of sales and use tax collections,
2. uniformity in the state and local tax bases,
3. uniformity of major tax base definitions,
4. central, electronic registration system for all member states,
5. adoption of certified service provider software and audit protections,
6. simplification of state and local tax rates,
7. uniform sourcing rules for all taxable transactions,
8. simplified administration of exemptions,
9. simplified and uniform tax return format, and
10. simplification of tax remittances.

To date, twenty-four of the forty-five states with a general sales and use tax have passed the conforming legislation - Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming.

In 2003 Kentucky became the third state in the country to enact enabling legislation to conform state sales and use tax laws to the Agreement with an effective date of July 1, 2004 (HB 293). Six additional times in subsequent sessions the General Assembly has amended Kentucky sales tax provisions to remain in compliance with the Agreement as it has further developed and been refined over the years.

Participation in the SSUTA was a pivotal factor in the US Supreme Court's ruling in the *Wayfair* decision determining that South Dakota's economic nexus standard of $100,000 in sales or 200 transactions did not discriminate or place an undue burden on interstate commerce. The SST Governing Board demonstrates the practical model of sales tax administration that works for retailers selling across multiple state tax jurisdictions. It will play a pivotal role shaping and coordinating uniform approaches to remote retailer registrations, collections and compliance in the post-*Wayfair* world for member and non-member states alike.

Since Streamlined central registration has been in operation (October 2005), SST sellers have remitted over $238 million in sales and use tax to Kentucky. Most of this revenue comes from voluntary sellers who would not otherwise be registered or collecting taxes where they have no physical presence. For FY 18, 1,225 SST sellers reported and remitted $36.5 million in sales and use taxes to the Commonwealth, an annual increase of 24%.