



## ***STREAMLINED SALES TAX PROJECT (SSTP)***

Terry Garber – [garbert@sctax.org](mailto:garbert@sctax.org)

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### ***THE PROBLEM***

- Billions of dollars of Sales and Use tax are going uncollected from mail order and Internet sales.
- Court/legislative decisions imply that the current complexity of Sales tax laws makes collection of tax an unreasonable burden for the retailer.



## *THE ANSWER: SSTP*

- 36 Participating States
- More than just another e-file program
- Uniform Definitions
- Uniform Sourcing
- Uniform Exemption Certificates
- Simplified Tax Rates
- Conforming legislation is required



## *TECHNOLOGY ENABLED*

- Online Registration
- Simplified Electronic Return
- Electronic Information Reports
- Sourcing Database
- Technology Models for Retailers



## *TIGERS ROLE*

- Founded in 1994 by IRS, FTA, and a group of states
- Workgroup of X12, responsible for national standards for electronic data interchange for tax and revenue
- Originally EDI, now XML- "We do data formats!"
- Agreement with SSTP to provide technical specifications



## *SSTP REGISTRATION*

- Seen as online web transaction
- Seen as vendor hosted
- MTC has issued Request For Participation
- One participant – TaxWare
- Cost model not defined



## **REGISTRATION SELECTIONS**

- Must register in all Participating States
- "Already Registered"
- "Need to Register"
  - Link to state registration site
- "Eligible to Volunteer:"
  - Collect limited data
  - Pass data to impacted states via XML data format to be developed by TIGERS
  - No further registration to be required



## **SIMPLIFIED ELECTRONIC RETURN**

- Must be monthly filing
- Data elements limited by SSTP Governing Board
- E-file only
- XML data format for SER being developed by TIGERS



## *SER DATA ELEMENTS*

- SSTP ID number and FEIN/SSN
- Return type (original/amended)
- Month/Year Covered
- Total Sales
- Total Exemptions/Deductions
- Taxable Sales



## *SER DATA ELEMENTS*

- For each jurisdiction:
  - Sales tax due, use tax due
- Total tax due
- Penalty Due
- Interest Due
- Prepayments
- Discounts
- Amount due



## *SER LIMITATIONS*

- No Location detail
- No deduction/exemption detail
- Enough data to perform simple mathematical edits
- Only Sales and Use taxes
- Does allow for local jurisdictions



## *INFORMATION REPORT*

- No more than every six months
- Staggered due dates among states
- Location detail
- Deduction/exemption detail
- States can customize their reports from a list maintained by the SSTP Governing Board



## *INFORMATION REPORT*

- Data Elements not finalized
- States have been surveyed as to their needs for the Information Report
- Assumed also to be e-filed
- XML schema to be developed by TIGERS



## *SOURCING DATABASE*

- Method of determining taxes due for any physical destination address
- Based on work done by Wireless Task Force in response to the Mobile Telecommunications Sourcing Act
- Must identify jurisdictions and rates
- Format to be developed by TIGERS



## *SSTP TAXPAYER MODELS*

- Goal is to enable all retailers to participate in SSTP
- Establishes criteria for tax compliance and e-file software
- Establishes vendor opportunities
- Three models
  - Certified Service Provider
  - Certified Automated Software
  - Certified Proprietary System



## *CERTIFIED SERVICE PROVIDER*

- Both ERO and Transmitter
- Power of Attorney
- CSP is actually responsible for tax compliance of client taxpayers
- Records Retention requirements
- Certified by SSTP Governing Board



## ***CERTIFIED AUTOMATED SOFTWARE***

- Commercial software package available to taxpayers
- CAS vendor may serve as transmitter, but is not responsible for taxpayer compliance
- Records Retention requirements
- Certified by SSTP Governing Board



## ***CERTIFIED PROPRIETARY SOFTWARE***

- Mainly large corporations
- Protects investment in proprietary tax compliance system
- Records Retention Requirements
- Taxpayer serves as ERO, Transmitter
- Certified by SSTP Governing Board
- This model is not encouraged



## *HOW TO GET INVOLVED*

- Find out where your state is – states are at varying stages
- Participate in SSTP and/or TIGERS
- FTA website [www.taxadmin.org](http://www.taxadmin.org)
- SSTP website
- “Lawmaker’s Guide the the SSTP” published by Deloitte & Touche Center for Multistate Taxation