

2017 MTC Sales Tax Amnesty Program



SALES TAX AMNESTY ANNOUNCED FOR 15 STATES, EFFECTIVE August 17-October 17, 2017 ONLY

At our March 2017 PROSPER Show, we welcomed speaker Richard Cram, the Director of the National Nexus Program for the Multi-State Tax Commission, a national organization that coordinates sales tax teams across multiple states. Richard spoke about the sales tax implications of being an FBA seller, having one's products distributed by Amazon across potentially dozens of states. The placement of product in these states most likely creates a responsibility for FBA sellers to collect and remit sales taxes for product sales in those states.

For Amazon sellers that have not addressed potential sales tax liabilities to date, it can be challenging to evaluate whether to file a Voluntary Disclosure (indicating that the seller has not been paying sales taxes properly, but wants to rectify the problem) OR continue with status quo of not addressing potential sales tax liabilities, in hopes of not be identified or audited by specific states.

With the current SALES TAX AMNESTY program, the following states have agreed to work through the Multi-State Tax Commission's Voluntary Disclosure program to offer online sellers with the opportunity to get registered for tax collection immediately, and avoid back taxes, interest and penalties. This AMNESTY program features a waiver of back tax liability (no "look-back period"), meaning if the seller

registers today to start collecting and remitting sales tax in one of these 15 states, the seller will not be subject to any “look-back” at past years of unpaid sales tax in these states.

Alabama

Arkansas

Colorado

Connecticut

Idaho

Iowa

Kansas

Kentucky

Louisiana

Nebraska

New Jersey

Oklahoma

Texas

Utah

Vermont

Eight additional are considering participation, and will indicate before August 17 start date. Some of these additional states may require a limited look-back period for back tax liability.

This AMNESTY program is available starting August 17 through October 17, after which any Voluntary Disclosure efforts will likely include a “look-back period” going back a few years to figure out a few years’ worth of unpaid back taxes each seller owes to the specific state.

THE AMNESTY WINDOW will close on October 17, 2017 – act quickly to take advantage of this unusual opportunity.

STEP 1: Fill out a Voluntary Disclosure form through the Multi-State Tax Commission, and indicate which specific states you want to pursue through this amnesty. Keep in mind that many of the MTC states are NOT participating in the amnesty program. Read the details of how your information is kept confidential with the states you select.

STEP 2: MTC will handle anonymously distribute the Voluntary Disclosure form to the states indicated by the seller.

Please see the MTC voluntary disclosure page for more details.