Remote Seller Compliance

WSATA
October 28, 2019
Trista Gonzalez, CA Dept. of Tax & Fee Administration
Patti Wilson, WA DOR
EHB 2163
Retail economic nexus

Wayfair v. South Dakota

July 2017
Retail sales tax election

Jan. 2018

June 2018
Remote seller sales tax thresholds

Oct. 2018
California Nexus

• September 15, 2012
  • Affiliate Nexus / Click-Through Nexus
  • Commonly Controlled Group
  • Long Arm Statute

• April 1, 2019
  • Economic Nexus Threshold - $500,000

• April 25, 2019
  • District Tax Economic Nexus Threshold
Outreach

- Top 1,000 retailer list
- Traditional tax discovery
- Referrals

2019 U.S. Top 1000 Report

Exclusive data from Internet Retailer on North America’s 1,000 leading retailers and brands by online sales

https://www.digitalcommerce360.com/
Education and Outreach

SPECIAL NOTICE

New Use Tax Collection Requirements for Remote Sellers and New District Use Tax Collection Requirements for All Retailers—Operative April 1, 2019

The California Legislature recently passed Assembly Bill No. (AB) 147 (Stats. 2019, ch. 5). AB 147 requires:

- Retailers located outside of California (remote sellers) to register with the California Department of Tax and Fee Administration (CDTFA) and collect California use tax if, in the preceding or current calendar year, the total combined sales of tangible personal property for delivery in California by the retailer and all persons related to the retailer exceed $500,000; and

- All retailers required to be registered with the CDTFA, whether located inside or outside of California, to collect and pay to the CDTFA district use tax on all sales made for delivery in any district that imposes a district tax if, in the preceding or current calendar year, the total combined sales of tangible personal property in this state or for delivery in this state by the retailer and all persons related to the retailer exceed $500,000.

The new collection requirements are operative April 1, 2019, and supersede our previous direction regarding 1) the use tax collection requirements for out-of-state retailers (see Special Notice L-565), and 2) the district use tax collection requirements for all retailers, including retailers located inside or outside of California (see Special Notice L-591).
Use Tax Collection Requirements Based on Sales into California Due to the *Wayfair* Decision
Compliance Work

• Voluntary Disclosure

• Remote Seller Relief program

Remote Seller Relief Program

Your business may owe tax — we’re here to help.

Effective October 1, 2018, remote sellers with over $100,000 in retail sales into Washington have to register their business and collect taxes in the state of Washington. You may owe uncollected retail sales tax if this threshold was surpassed in the current or preceding year. You may also owe Washington business and occupation tax if your business previously exceeded one of Washington’s economic nexus thresholds.

We have information that indicates your business may have exceeded the $100,000 threshold. If your business has a registration requirement with the state, you may benefit from the Department’s limited-duration Remote Seller Relief Program.

Remote Seller Relief Program

Even though your business has received previous contact by the department you may still be eligible for our Remote Seller Relief Program. Benefits may include the following:

• Up to 36% in potential penalties can be avoided, which include:

1. A 1% assessment penalty for substantially underpaid tax
2. 10% for late payment
Voluntary Disclosure

- Out of State Retailer
  RTC § 6487.05
- Marketplace Seller
  RTC § 6487.07
- Managed Audit Program
Washington’s new Remote Seller Relief Program: Will it start a new trend?

Sales and Use Tax    Sep 11, 2019 | Gail Cole

References

Washington
https://dor.wa.gov/marketplacefairness

California
http://www.cdtfa.ca.gov/industry/wayfair.htm