



# TaxNewsFlash

United States



No. 2019-235  
May 13, 2019

## KPMG report: Sales tax collection obligations of marketplace facilitators (Colorado, Georgia, Indiana, Kansas)

States continue to enact legislation or issue guidance in response to the U.S. Supreme Court's decision in "South Dakota v. Wayfair, Inc."

A rapidly increasing number of states are imposing the tax collection obligation on what is being termed "marketplace facilitators" or "marketplace providers." This week's report includes information from Colorado, Georgia, Indiana, and Kansas.

### **Colorado**

Both houses of the legislature passed House Bill 1240, and the bill has been prepared to be presented to the governor for action. The bill, if enacted, would require certain marketplace facilitators with Colorado sales exceeding \$100,000 to begin collecting on October 1, 2019. The bill also codifies the Department of Revenue's destination-based sourcing rules.

### **Georgia**

The Department of Revenue issued guidance (Policy Bulletin SUT-2019-02) under recently enacted House Bill 182 (legislation that eliminated the "collect or report" option available to certain remote sellers and reduced the dollar nexus threshold from over \$250,000 in gross revenues from Georgia retail sales to \$100,000 in gross revenues from retail sales). The elimination of the reporting option was effective April 28, 2019, and the lowering of the economic nexus threshold is effective January 1, 2020.

In addition to summarizing the new legislation, the guidance clarifies that remote sellers meeting the current law threshold of \$250,000 in retail sales or 200 transactions that may have chosen to comply with the use tax notice and reporting requirements in 2019 can no longer continue to do so. These remote sellers have an obligation to begin collecting and remitting sales tax on taxable sales on or before July 1, 2019.

## Indiana

Indiana's budget bill (House Bill 1001) signed on April 29, 2019, requires marketplace facilitators to collect and remit sales tax if: (1) their gross revenue from sales of tangible personal property or services (including lodging and accommodations) delivered into Indiana, or products transferred electronically into Indiana, exceeds \$100,000; or (2) the marketplace has 200 or more separate transactions involving services, tangible personal property, or electronically transferred products for delivery into Indiana. These provisions are effective July 1, 2019.

## Kansas

House Bill 2033 is pending action by the governor. The bill includes economic nexus provisions for marketplace facilitators and remote sellers, if signed, would be effective October 1, 2019. The Kansas bill includes numerous other sales and income tax changes. The governor vetoed a similar bill earlier this year.

Read a [May 2019 report](#) prepared by KPMG LLP

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