

Sales/Use/Indirect:

Multistate Tax Commission: Discussion Draft Outline of White Paper on Sales Taxation of Digital Products Posted

Discussion Draft of Detailed Outline of a White Paper on Sales Taxation of Digital Products, Multistate Tax Commission (staff) (7/22). In preparation for the Multistate Tax Commission's (MTC's) Uniformity Committee meeting on August 2, 2022, MTC staff released a first discussion draft of an outline for an eventual white paper on how states might best adapt their sales tax to include digital products. The draft outline is a "working document that will change as the project continues." According to MTC staff, the draft outline encompasses findings from numerous individuals and groups representing particular taxpayers, states, or other organizations, as well as practitioners and academics. A brief history of sales taxation (pre-*Quill*, post-*Quill*, and post-*Wayfair*) is provided, including how its development and particular events "may have stifled the expansion of the tax base as the economy has changed." The discussion draft also explains that while state sales taxes have a certain structure and common elements, they also contain some deviations "that may affect efforts to develop an approach to taxing digital products." Furthermore, MTC staff explain that the general purpose and/or goal of the eventual white paper may include determining:

URL: [https://www.mtc.gov/getattachment/Uniformity/Uniformity-Committee/2022/Agenda-8-2022/Draft-Detailed-Digital-Outline-\(Final-for-8-2-22-Meeting\).pdf.aspx?lang=en-US](https://www.mtc.gov/getattachment/Uniformity/Uniformity-Committee/2022/Agenda-8-2022/Draft-Detailed-Digital-Outline-(Final-for-8-2-22-Meeting).pdf.aspx?lang=en-US)

- The best approach to making existing state sales taxes adaptable and responsive to changes in the digital economy as opposed to creating a new tax or looking at gross receipts taxes;
- The approach that is most responsive to issues identified by various stakeholders; and
- The approach that will lead to the greatest uniformity.

Please contact us with any questions.

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