

Sales/Use/Indirect:

Federation of Tax Administrators Supports State Efforts to Promote Transparency, Certainty, and Clarity of State Tax Policies Involving Taxation of Digital Products

Resolution 2023-1 – Supporting State Efforts to Promote Transparency, Certainty, and Clarity of State Tax Policies, Federation of Tax Administrators (6/23). The Federation of Tax Administrators (FTA) recently posted a resolution announcing that it supports efforts, including those of the Multistate Tax Commission (MTC), to promote open consideration of all relevant issues that can impact the development of each state’s policies regarding taxation, including taxation of digital products, and encourages those with interest in current and future tax policy projects relating to taxation to participate and provide constructive input to guide the projects and assist legislators and policymakers. In doing so, the FTA notes that the taxation of digital products is currently being studied by the Uniformity Committee of the MTC, “which committee welcomes the active participation of the staff of the Streamlined Sales Tax Governing Board (SST) and representatives from Streamlined States.” In addition, the resolution explains that the Streamlined Sales and Use Tax Agreement currently addresses certain aspects of the taxation of digital products and SST continues to develop uniform solutions related to digital products.

URL: <https://taxadmin.org/resolutions/#res-2023-1>

Moreover, the FTA highlights that staff of the MTC and representatives from the MTC and other states actively participate in SST’s activities on digital products, and that the Organization of Economic Cooperation and Development (OECD), the United Nations, and Internal Revenue Service are also currently studying the taxation of digital products. According to the FTA, the multiple studies and the purpose and mission of the organizations studying the taxation of digital products “demonstrate the importance of this topic to both multistate and multinational taxpayers.” As such, “cooperation and collaboration between the organizations, state and local governments, and the taxpayers and their representatives will form the foundation for good tax policy.” The FTA concludes that “the taxation of digital products, like many other state and local tax matters, are best approached through state efforts that promote transparency, certainty, and clarity.” Please contact us with any questions.

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