



*"Working together to  
fund Washington's future"*

# Marketplace Fairness

July 2019





Introductions  
Tina Greene  
George Miller



A top-down view of a wooden desk. In the top left is a small potted succulent with purple and green leaves. Below it is a white ceramic mug filled with a light brown beverage. To the right of the mug is a white computer keyboard. In the bottom left corner is a black notebook with a textured cover and a blue pencil. The word 'Agenda' is written in a large, dark blue serif font across the upper right portion of the image.

# Agenda

- ✓ Remote Seller History
- ✓ New Legislation (5581)
- ✓ Current SSB 5581 Data
- ✓ On the Horizon...





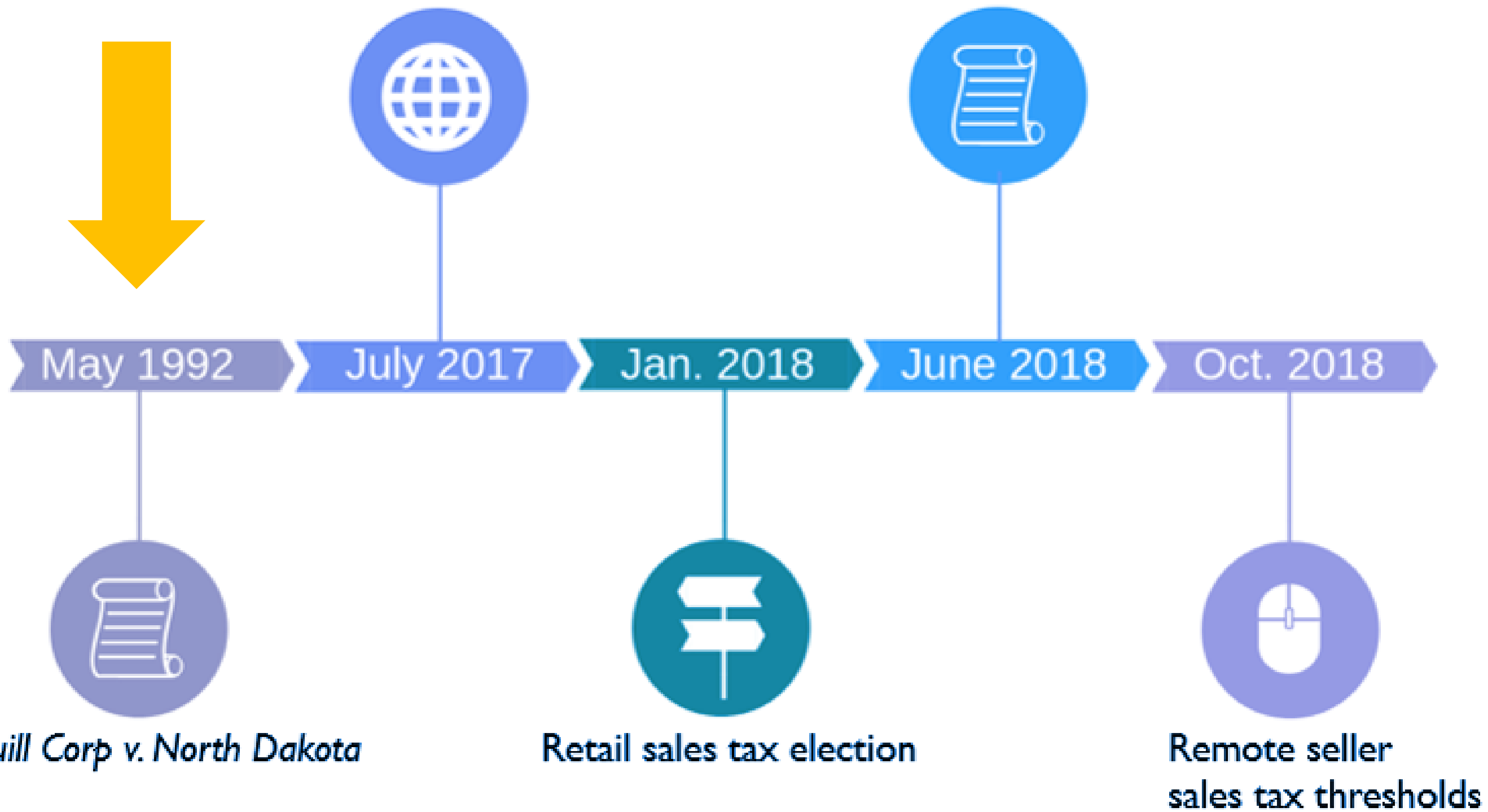
# Remote Seller History



EHB 2163

Retail economic nexus

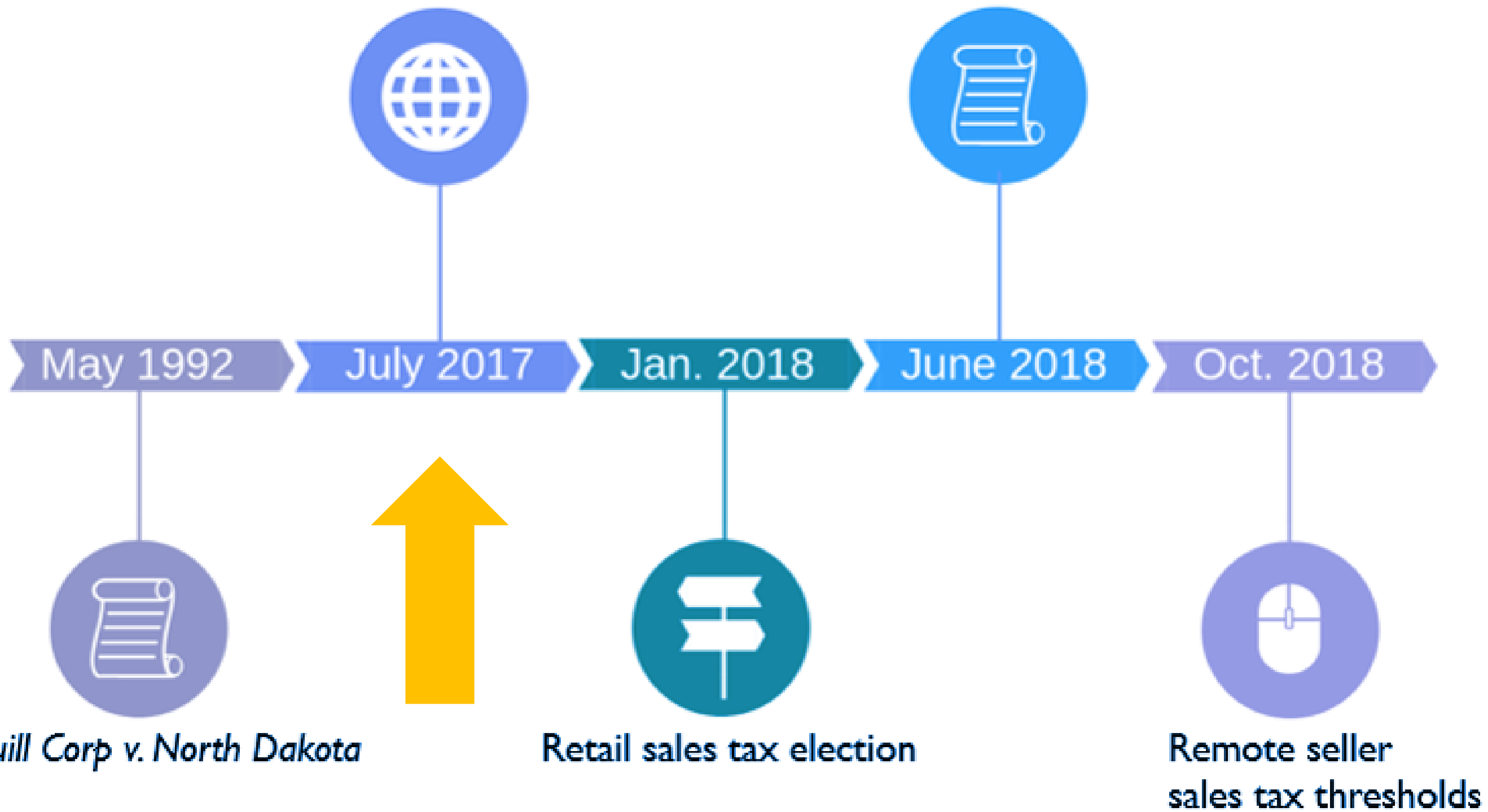
*Wayfair v. South Dakota*



EHB 2163

Retail economic nexus

*Wayfair v. South Dakota*



EHB 2163

Retail economic nexus

*Wayfair v. South Dakota*



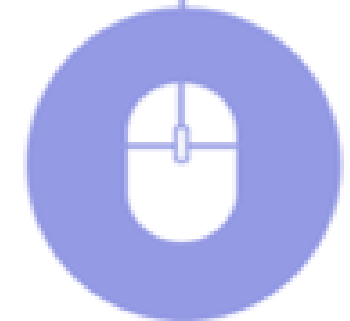
May 1992

July 2017

Jan. 2018

June 2018

Oct. 2018



*Quill Corp v. North Dakota*

Retail sales tax election

Remote seller  
sales tax thresholds

EHB 2163

Retail economic nexus

*Wayfair v. South Dakota*



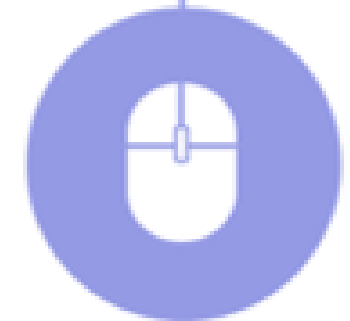
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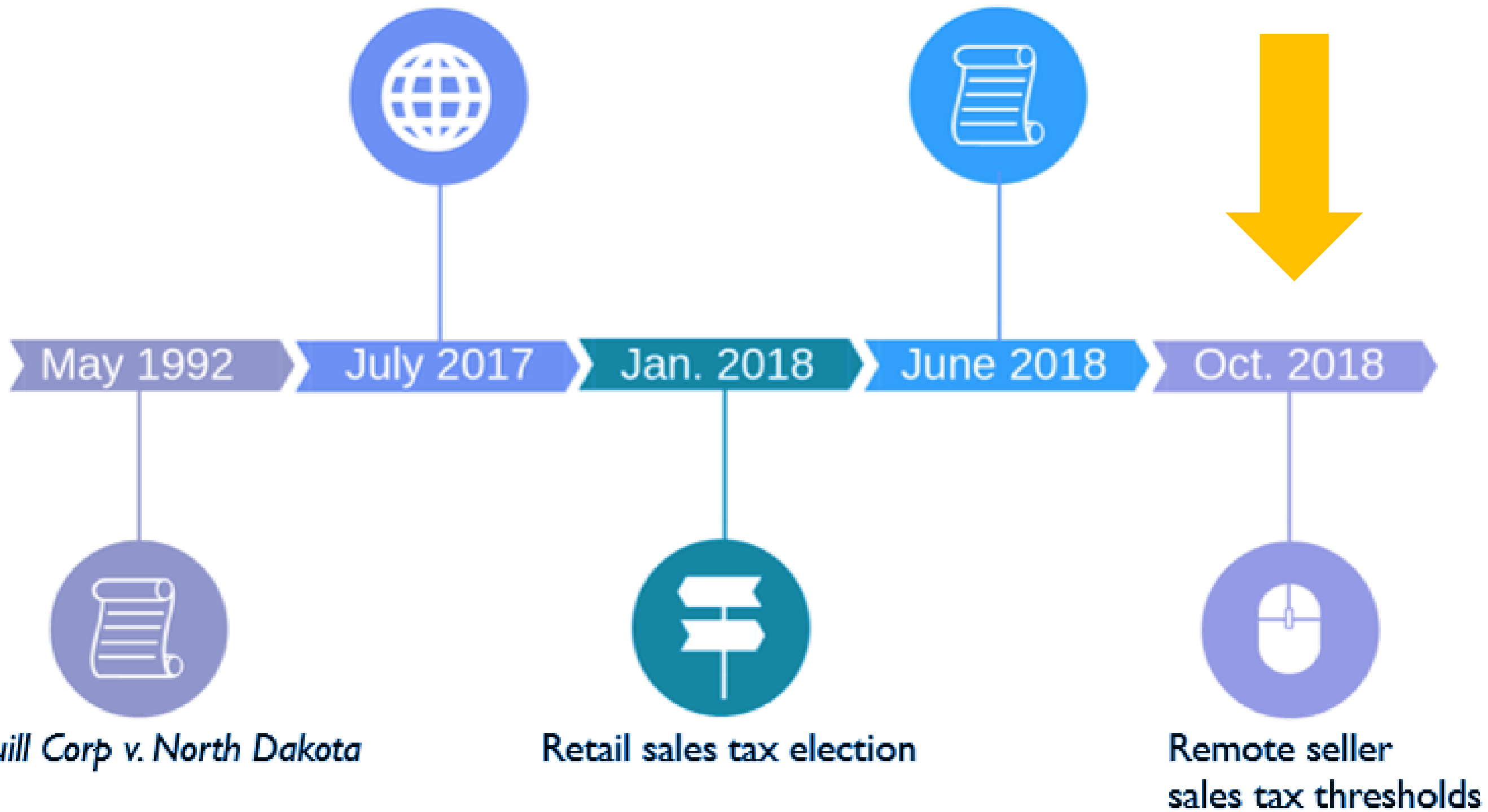
Remote seller  
sales tax thresholds



EHB 2163

Retail economic nexus

*Wayfair v. South Dakota*





The background of the slide is a close-up photograph of a wooden surface. The wood has a light tan or beige color with visible grain patterns. It is covered with numerous splatters and streaks of a vibrant blue paint or pigment, giving it a distressed, artistic appearance. The blue marks are scattered across the entire surface, with some areas showing more concentration than others.

# New Legislation 5581



# Substitute Senate Bill (SSB) 5581

- ✓ Phase 1 – March 14, 2019
- ✓ Phase 2 – July 1, 2019
- ✓ Phase 3 – January 1, 2020

# Phase 1 (5581)





# Phase 1

Codifies October 1, 2018  
changes:

- \$100,000
- 200 transactions

# Phase 1

Eliminated Effective  
March 14, 2019:

- 200 transactions
- Import exemption
- “Click-through” nexus



# Phase 1

Effective March 14,  
2019:

Businesses are required to  
pay all applicable taxes  
and fees.

- Litter Tax
- Hazardous Substance Tax



# Phase 2 (5581)





# Phase 2

Eliminated Effective July 1, 2019:

- References to Referrer
- Use tax notice and reporting
- Digital products delay for facilitators

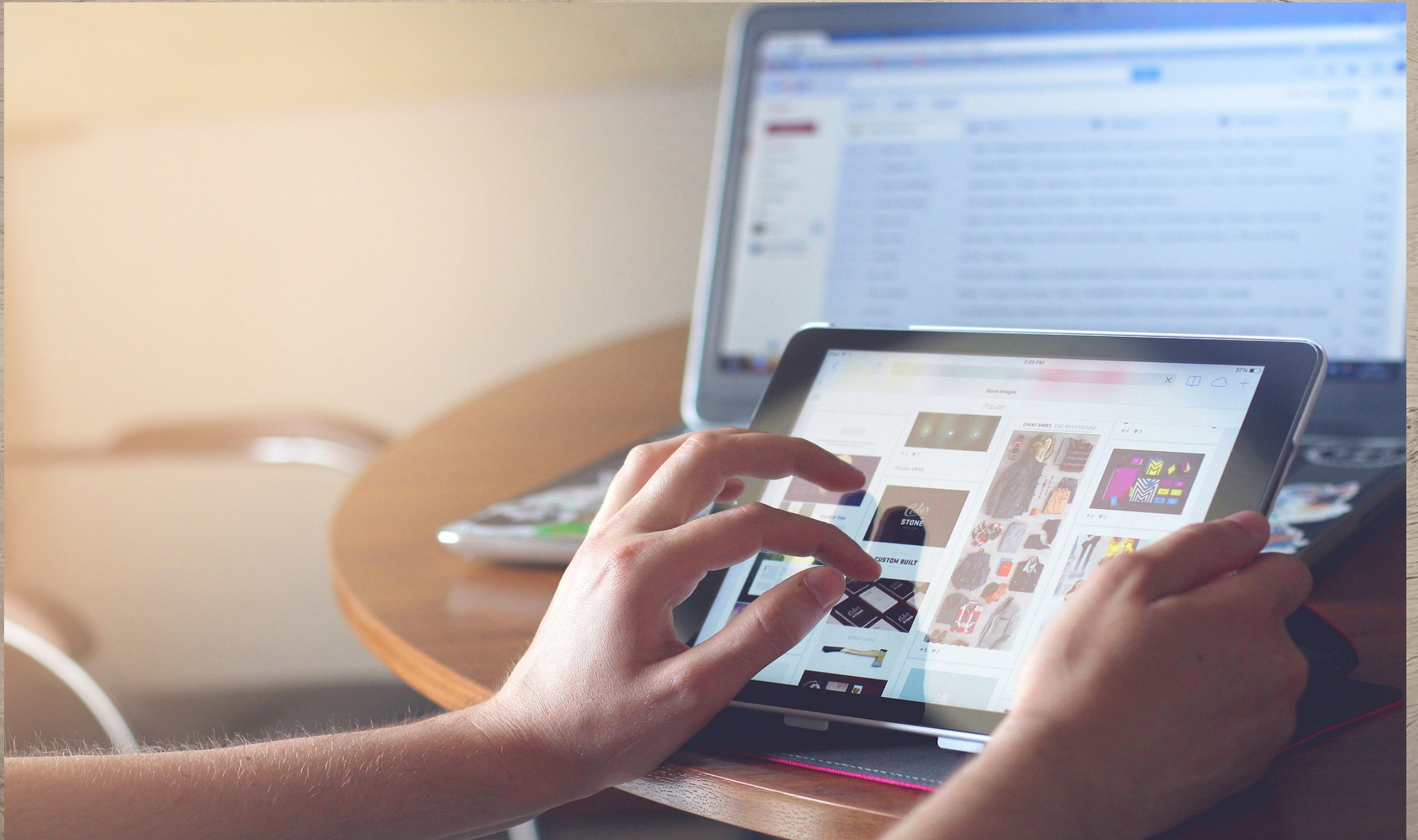
# Phase 2

Effective July 1, 2019:

- Marketplace facilitators must provide a report to marketplace sellers
- Consumers to report use tax monthly instead of annually



# Phase 3 (5581)





# Phase 3

Effective January 1, 2020  
the threshold for both  
B&O tax and sales tax is:

- \$100,000
- Physical presence



# Phase 3

Eliminated Effective  
January 1, 2020:

Economic Nexus  
thresholds for:

- Property
- Payroll
- 25% of receipts

# Phase 3

Effective January 1,  
2020:

Sellers and facilitators  
responsible for collecting:

- Lodging taxes
- Tire fee
- Wood stove fee
- Enhanced 911

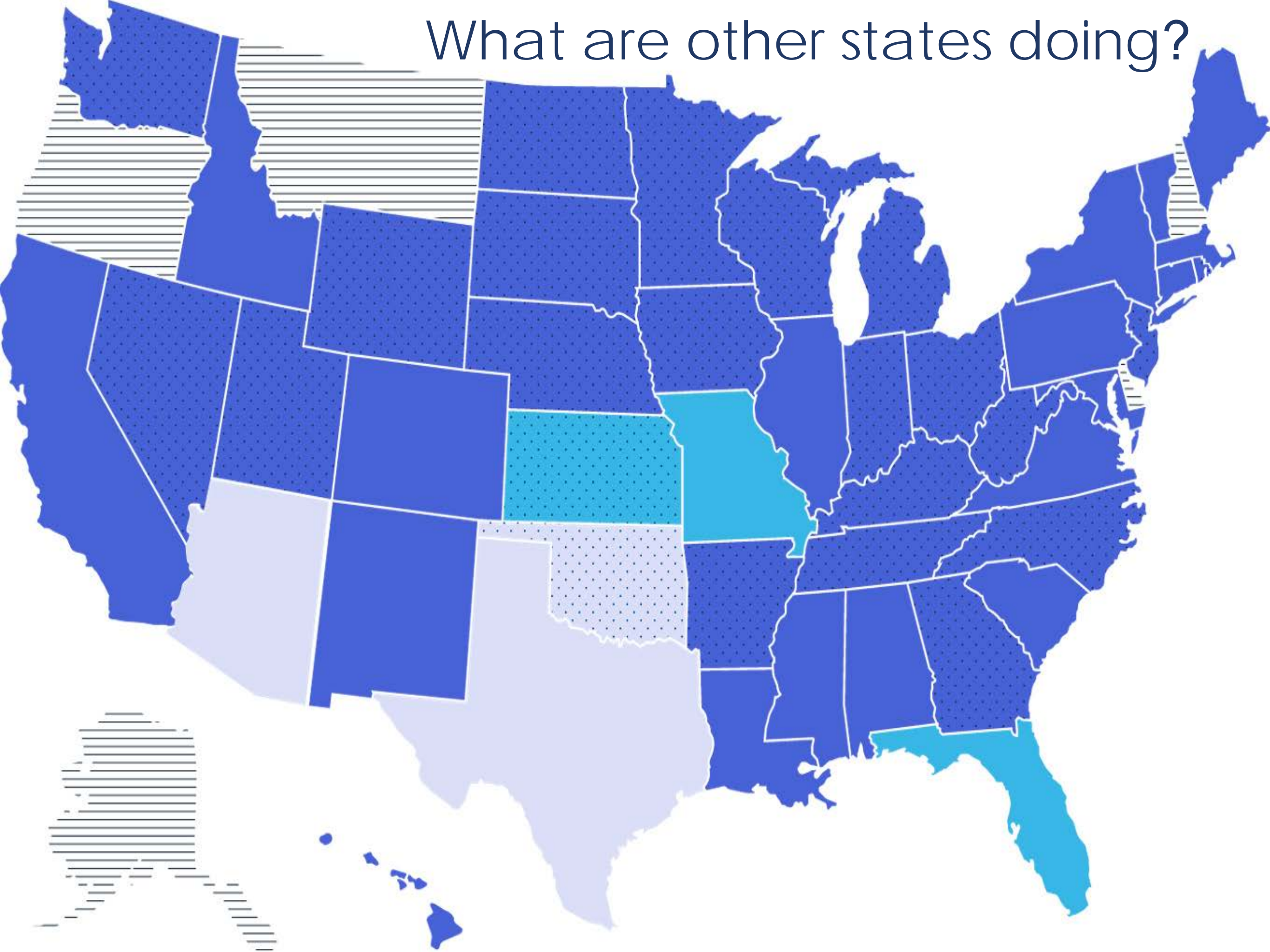


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# SSB 5581 Data

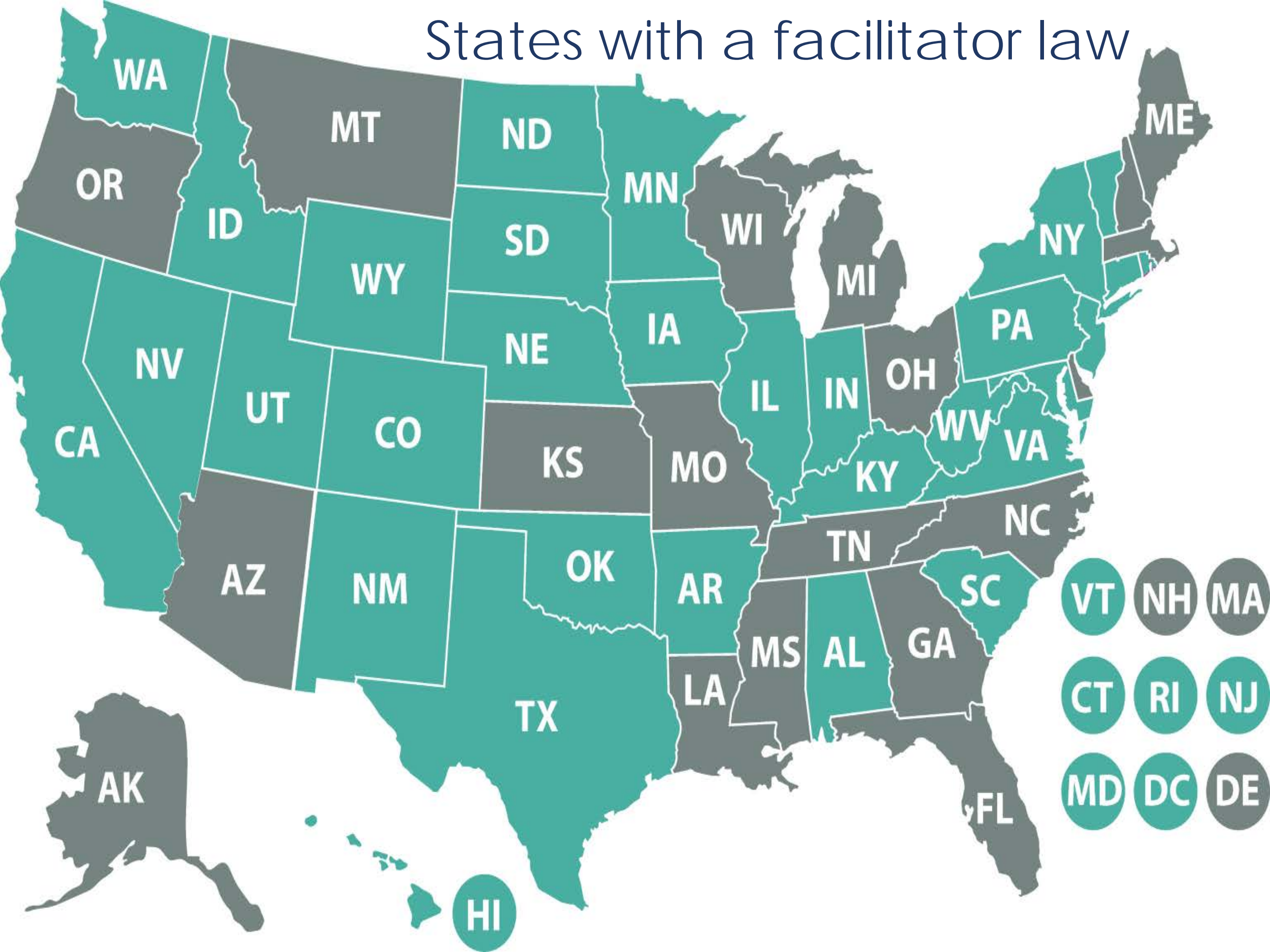


What are other states doing?

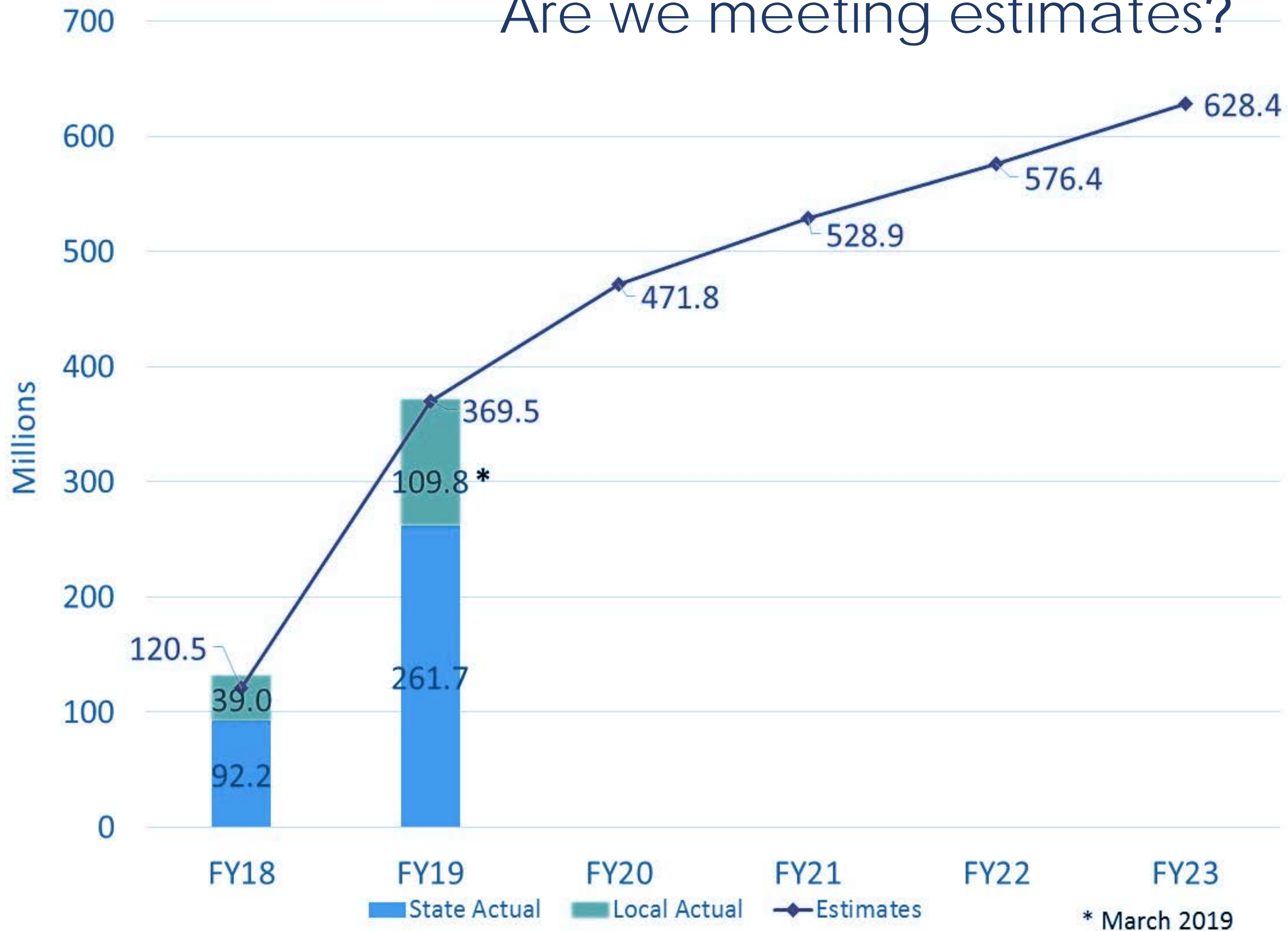




# States with a facilitator law



# Are we meeting estimates?





A wide-angle photograph of a two-lane asphalt road stretching straight to the horizon. The road has a white dashed center line and solid white edge lines. The surrounding landscape is a flat, open field with dry, golden-brown grass and some scattered trees in the distance. The sky is filled with large, dramatic clouds, with a bright light source (likely the sun) breaking through near the horizon, creating a lens flare effect. The overall mood is one of vastness and journey.

On the horizon...





# Questions





# Thank you

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