
Issue Brief – Streamlined Sales Tax

NUMBER TAX 08-07

SUMMARY

During the 2003 General Session the Legislature appropriated funds to cover ongoing administrative costs associated with Utah's attempt at complying with national SST standards. Because Utah is not currently in compliance with national Streamlined Sales Tax (SST) standards, it is recommended that these funds be removed from the operating budget of the department.

ISSUES AND RECOMMENDATIONS

SST Compliance

Streamline Sales Tax is a national initiative to address sales tax collections of interstate business. Unless Utah law is changed in 2008, or the national SST requirements are altered, Utah will not be in compliance. It is anticipated that Utah will not be in compliance over the coming year. Should costs related to compliance come up again, the intent is to address this through a fiscal note or budget increase. Funding for this was from the General Fund – Restricted Sales Tax Administration Fee Account.

LEGISLATIVE ACTION

The Analyst recommends the following budget action for the General Fund – Restricted Sales Tax Administration Fee Account:

- Reduce the amount allocated from the General Fund – Restricted Sales Tax Administration Fee Account by \$591,800. This is part of the Administration Line Item.