



To: ARSSTC Members

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Re: Uniform Code Amendments – August 2024

During the month of March 2024, Commission staff met weekly with representatives from member jurisdictions to discuss and work through numerous code updates that Commission staff have been accumulating since the last amendments were made to the Uniform Code in 2021. Many of these needed updates are more clerical in nature, but several are more substantive and will have a clear impact on the Commission and member jurisdictions.

Following is a breakdown of the more substantive updates that were agreed upon by the Code Update Working Group, including a brief justification / background of why the update is being recommended.

At its July 17, 2024 meeting, the ARSSTC Board of Directors formally approved the following updates to the Uniform Code.

Code Section	Description	Justification / Background
Section 030	Remove / Rework par. C	Paragraph C seemed to be redundant to B, so combined B & C
Section 030(G)	Inclusion of sales tax in selling price	New section – Tax inclusion in selling price is allowed by some members in their local code, uniformity would be beneficial.
Section 040(A)(2)	Remove 200 transaction measure from economic nexus threshold	Nationally, states have been removing their transaction measure from the economic nexus requirements. This change is intended to expand the ARSSTC’s small business protections. It is believed that the revenue impact to member jurisdictions will be minimal.
Section 050(E) & (F)	Marketplace facilitator reporting requirements	Added language clarifying that certain types of marketplaces (delivery marketplaces, short term rental marketplaces & travel related marketplaces) are under member jurisdiction authority, not the ARSSTC. New definitions for these types of marketplaces can be found in Section 280.



Section 060	Bundled Transactions	New section - specifies treatment of bundled transactions, specific to bundles w/ exempt portions and tax caps.
Section 100(E)	Due date / weekend / holiday	Remove due date extension for weekends / holidays. System cannot handle weekend / holiday extension, code should match system and practice.
Section 120 (A)	Remove rounding language	Remove rounding requirement; is unenforceable.
Section 130(B)	Refund claims	Establishes one-year window on refund claims from remote sellers and customers.
Section 130(D)	Jurisdiction issuance of refunds	Remove language – should not be an option due to how program fees are assessed. Refunds should only be issued by the Commission.
Section 140(A)	Amended Returns	Limits amended returns that reduce tax due to being filed within one year of the original return. No limit on amended returns that increase tax due.
Section 160	Audits w/ refunds	Provides for refund if overpayment discovered during audit, if seller provides refund plan that is approved by the Commission.
Section 170	Appeal / Protest Process update	Prior appeal mechanism was narrow and limited only to audits or estimated assessments. Expands and clarifies protest process & steps.
Section 270	Savings Clause	Rework language to provide clarity when Uniform Code is adopted by reference.
Section 280 – Definitions		
	Bundled transactions	Used in section 060 – new definition based on Streamlined Sales Tax definition
	Delivery network company	Used in section 050 – definition based on other states’ versions
	Digital good	Designed to be adopted into local codes, adding clarity to taxability of digital goods.
	Digital service	Designed to be adopted into local codes, adding clarity to taxability of digital services.



	Marketplace Facilitator	Changed “remote seller” to “marketplace seller” throughout definition.
	Physical Presence	Added language back to paragraph 2 of definition to line up with most local definitions of physical presence. Also edit to paragraph 3 to specify service provision.
	Travel agency services	Used in section 050 – definition based on other states’ versions.

Other Uniform Code revisions

- Multiple definitions had minor, immaterial changes: “Remote sales”, “remote seller”, “sales price” and “services”.

Recommended revisions to local sales tax codes

Several of the new definitions are intended to be adopted into member jurisdiction local codes as well to assist in compliance and add clarity for local sellers. Following is a summary of the intent of how the new definitions could be used in local codes.

- Delivery network company & travel agency services – by including these definitions in local code and adding them to either your imposition section, or definition of seller, you can clearly require these types of marketplaces to collect local sales taxes.
- Digital Good & Digital Service – Adding these definitions to your local code and subsequently including the terms in your definition of “retail sale” and “Service” will add clarity that these transactions are subject to your local sales tax, for both local businesses and remote sellers.

We believe that the addition of these definitions and including them in the appropriate sections that outline what is subject to your local sales tax will be beneficial on a number of fronts. If you are interested in learning more about how these definitions can be used, contact ARSSTC staff for a more thorough discussion and walk through of your local code.