

HB 1679 -- Sales Tax Technology Act

Sponsor: Franz

This bill establishes the Sales Tax Technology Act. Beginning July 1, 2013, the Department of Revenue must implement an automated sales and use tax system for all new businesses, delinquent businesses, and any business that wants to voluntarily enroll to electronically submit sales tax data and payments for debit and credit card transactions. The department director is authorized to contract with third-party tax collection and remittance providers to implement and operate the system. The system must include a process to use an electronic cash register system for the receipt and processing of credit and debit transactions submitted by merchants at least once per business day. The provider must establish a secure web portal with all sales tax transactions reported, including cumulative totals for the tax reporting period and the amount of tax submitted to the department on behalf of each business. The information must be available to the department director for at least 185 days and include individual business locations and multiple locations within a single business.

Any business that enrolls in the automated sales and use tax collection system must pay all costs to purchase and maintain the hardware and software, will be entitled to retain 2% of the tax as an allowance for timely payments, and not need to post a sales tax security bond. All transaction fees associated with the use of a credit or debit card must be paid by the business. A business has 30 days to comply with the requirements of these provisions. Failure to comply will result in the revocation of the business' sales and use tax license in addition to other penalty provisions. Annual filers and monthly filers who pay four times per month are exempt from the provisions of the bill and the department may delay the implementation of the provisions for any business if the integration of the business' existing system doesn't interface with the electronic cash register system by July 1, 2013, but must be implemented as promptly as reasonably possible.