



100 Majestic Drive, Suite 400
Westby, WI 54667

Public Notice

30-day Public Comment Period Regarding Consideration of Imposing Sanctions on States Found to Not be in Compliance with the Streamlined Sales and Use Tax Agreement

February 14, 2025

Pursuant to Section 809 of the Streamlined Sales and Use Tax Agreement (Agreement) and Streamlined Sales Tax Governing Board Rule 809, this message will serve as official notice of the commencement of the 30-day public comment period regarding the consideration of imposing sanctions on Georgia, Nebraska and Ohio. The Streamlined Sales Tax Governing Board (SSTGB) determined that Georgia, Nebraska and Ohio were not in substantial compliance with the requirements of the Agreement. Interested persons may submit written comments for the SSTGB's Executive Committee to consider regarding any possible sanctions on Georgia, Nebraska and Ohio. **All comments must be submitted no later than 5 pm central on Monday, March 17, 2025.** All comments should be addressed to the Streamlined Sales Tax Governing Board - Executive Committee. Comments may either be emailed to Craig Johnson, Executive Director at craig.johnson@sstgb.org or mailed to Streamlined Sales Tax Governing Board, Inc., 100 Majestic Drive, Suite 400, Westby, WI 54667. All public comments received will be posted to the SSTGB website.

The specific Sections of the Agreement and issue(s) on which the SSTGB determined Georgia, Nebraska and Ohio were not in substantial compliance are as follows:

Georgia

- Section 317.C. – Administration of Exemptions – The Section provides in part that “Each state shall relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale...” Rather than just providing this liability relief to sellers who obtain a fully completed exemption certificate within 90 days subsequent to the sale, Georgia imposes a requirement under Section 48-8-38 that the exemption certificates must also be accepted in good faith. Although these additional requirements may be placed on a seller if the seller did not obtain an exemption certificate within 90 days subsequent to the sale, they cannot be placed on the seller if the seller obtained the fully completed exemption certificate within 90 days subsequent to the sale.

- Section 318.C.3.c and d. – Uniform Tax Returns – Under the Agreement, effective January 1, 2011 a state must allow Model 4 sellers to file the simplified electronic return (SER) and effective January 1, 2013 a state must allow all sellers, including those not registered under the Agreement to file an SER. Georgia currently only accepts SERs from Model 1 Sellers.
- Section 323.A. – Caps and Thresholds – Under the Agreement, caps and thresholds are not allowable “...unless the member state assumes the administrative responsibility in a manner that places no additional burden on the retailer.” Georgia enacted legislation that places a cap of \$35,000 in tax on boat repairs.
- Section 308 – The legislature extended the exemption for food to an equalized homestead option sales tax if such local tax is passed by referendum. This provision is intended for one county. Food is not exempted from other local sales taxes. A referendum was passed and then this provision became effective in DeKalb County on April 1, 2018.

Nebraska

- Section 308 – State and Local Tax Rates – Section 308.A. of the Agreement provides in part that “No member state shall have multiple state sales and use tax rates on items of personal property or services, except that a member state may impose a single additional rate, which may be zero, on food and food ingredients and drugs as defined by state law pursuant to the Agreement. In addition, if federal law prohibits the imposition of local tax on a product that is subject to state tax, the state may impose an additional rate on such product, provided such rate achieves tax parity for similar products.” When Nebraska adopted the Good Life Transformational Projects Act (Act), it created a special geographical taxing district (District) that sets the state sales tax rate at 2.75% for transactions that occur within that portion of a District established pursuant to the Act which is located within the corporate limits of a city or village. This results in Nebraska having different state rates that apply in different geographical locations throughout the state, which is not allowed under Section 308 of the Agreement.

Ohio

- Section 322 Sales Tax Holidays – Section 322.A.1. of the Agreement provides in part that “If a member state allows for temporary exemption periods, commonly referred to as sales tax holidays, the member state shall: 1. Not apply an exemption unless the items to be exempted are specifically defined in Part II or Part III(B) of the Library of Definitions and the exemptions are uniformly applied to state and local sales and use taxes...” Section 322.A.2. requires that states “Provide notice of the exemption period at least sixty days prior to the first day of the calendar month in which the exemption period will begin.” Beginning in 2024, Ohio’s sales tax holiday included all tangible personal property except watercraft or outboard motors required to be titled pursuant to Chapter 1548, Ohio Revised Code, a motor vehicle, an alcoholic beverage, tobacco, a vapor product, or an item that contains marijuana,

that is \$500 or less. As noted above, a sales tax holiday can only apply to items that are specifically defined under Part II or Part III of the Library of Definitions of the Agreement. In addition, Ohio's sales tax holiday was held July 30, 2024 until August 8, 2024. Ohio notified vendors of the sales tax holiday dates on May 31, 2024. Therefore, the notice requirement in Section 322A.2. was not met. It is noted that this second issue related to the notice requirement should not be a recurring issue.

The Streamlined Sales Tax Governing Board's Executive Committee will hold a public meeting no sooner than 10 days after the public comment period closes to consider the comments received and develop a recommendation regarding any possible sanctions that may be imposed on Georgia, Nebraska and Ohio. During this meeting, there will be an opportunity for public comments as well as an opportunity for Georgia, Nebraska and Ohio to provide comments.

If you have any questions regarding this, please contact me.

Craig Johnson

Executive Director

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