

# Utah State Tax Commission Tax and Revenue



# Utah State Tax Commission

- Monthly webinars of various tax topics.
- Ability to access the recording and presentation after the event.
- Free to all attendees.



# Utah State Tax Commission Monthly Webinars

[tax.utah.gov/training/webinars](https://tax.utah.gov/training/webinars)

## Tax Webinars & Videos

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. We'll also add other training items here as needed. The links will appear below as they're available.

All webinars are held on the third Thursday of each month and begin at 10:00 a.m.

Category/Tax Type

Oct 19, 2023	Sales Tax Treatment of Real Property vs Tangible Personal Property vs Tangible Personal Property Attached to Real Property	Sales Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Nov 16, 2023	Withholding Taxes and W-2 Filing	Withholding Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Dec 21, 2023	Sales Related Taxes and Fees	Sales Taxes	<a href="#">MP4</a>   <a href="#">PDF</a>
Jan 18, 2024	What's New for the 2023 Income Tax Filing Season	Income tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Feb 15, 2024	Marketplace Facilitators and Sellers	Sales Tax	
Mar 21, 2024	Utah Child / Dependent Tax Information	Income tax	
Apr 18, 2024	How to Determine the Correct Sales Tax Rate	Sales Tax	
May 16, 2024	Military Income Tax Common Issues, Deductions and Credits	Income Tax	
Jun 20, 2024	Sales Tax Refund Process	Sales Tax	

- Tax Instruction & Training
- Tax Workshops
- Tax Webinars & Videos**
- Free Online Training
- Sales Tax Check Up
- Are You New to TAP?
- TAP FAQs
- TAP Help for Sales Taxes
- TAP Help for Withholding, Quick Start Guide
- TAP Help for Garnishments
- SALT Report & Tax FAQ



# Marketplace Facilitators and Sellers



# Marketplace Facilitators & Sellers

As of October 1, 2019, marketplace facilitators that have Utah nexus for their facilitated sales must have a Utah sales tax license and collect, report and pay sales tax on facilitated sales.



# Marketplace Facilitators & Sellers

**Defined in Utah code as of October 1, 2019:**

## **Products**

Tangible personal property, products transferred electronically and services.

## **Marketplace**

A physical or electronic place where products are offered for sale.

Examples include stores, booths, websites, catalogs and dedicated sales software applications.

## **Marketplace Seller**

A seller that makes one or more retail sales through a marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the seller is required to be registered to collect and remit the tax.





# Marketplace Facilitators & Sellers

## Marketplace Facilitator

A marketplace owner, operator or controller who **both facilitates sales** and collects payments through the marketplace.

### Facilitating sales includes:

- Making products available for sale on the marketplace, regardless of ownership or control of the products.
- Communicating offers or acceptances of sale between a seller and a buyer.
- Providing resources that connect sellers and buyers.
- Providing software or research and development directly related to a marketplace.
- Offering sellers fulfillment or storage services.
- Setting prices for a seller's products.
- Offering customer service to sellers or buyers, such as help with orders, returns or product exchanges.
- Identifying sales as those of the marketplace.



# Marketplace Facilitators & Sellers

## Marketplace Facilitator

A marketplace owner, operator or controller who **both** facilitates sales and **collects payments** through the marketplace.

### Collecting payments includes:

- Using a third party to collect payments and transmitting them to a marketplace seller.
- Providing payment-processing services.
- Charging a fee for product sales on the marketplace.
- Providing a virtual currency option for purchases.



A marketplace facilitator **DOES NOT** include a person that only provides payment processing services.



# Marketplace Facilitators

- As of July 1, 2020
  - A marketplace facilitator **DOES NOT** include:
    - A person who facilitates restaurants' sales



# Marketplace Facilitators

- Marketplace facilitators that have Utah nexus for their facilitated sales must have a Utah sales tax license and collect, report and pay sales tax on facilitated sales.
- Marketplace facilitators can have nexus on its own direct sales, on sales it facilitates, or both. Therefore, facilitators must determine nexus separately for their direct sales and their facilitated sales.
- In addition to sales tax, facilitators are responsible for collecting all sales-related taxes (transient room, tourism, motor vehicle rental and municipal telecommunications license taxes).
- Marketplace facilitators are considered the seller of goods and services they facilitate and must charge and pay sales tax, file returns and respond to audits.



# Utah Nexus

An out of state marketplace facilitator is subject to Utah sales tax if, in either the previous or the current calendar year, they sell or facilitate the sale of products that result in either:

- Gross revenues of more than \$100,000; or
- 200 or more separate transactions.

An out-of-state facilitator must begin collecting Utah sales tax no later than the first day of the calendar quarter that is at least 60 days after the day on which they meet or exceed either threshold.



More information regarding nexus can be found in Tax Commission Publication 37

# Utah Nexus

Physical Presence in Utah	Economic Presence in Utah	Related Business in Utah
Meets at least one of the following:	Meets one of the following in the current year or past year:	Relationship to related business meets one of the following:
<ul style="list-style-type: none"> <li>Place of business in Utah (office, distribution house, sales house, warehouse, service enterprise, or other)</li> </ul>	<ul style="list-style-type: none"> <li>More than \$100k of sales in Utah, <u>or</u></li> </ul>	<ul style="list-style-type: none"> <li>Seller has more than 10% interest in related seller, <u>or</u></li> </ul>
<ul style="list-style-type: none"> <li>Maintain stock of goods or inventory in Utah</li> </ul>	<ul style="list-style-type: none"> <li>More than 200 sales in Utah</li> </ul>	<ul style="list-style-type: none"> <li>Related seller has more than 10% interest in seller, <u>or</u></li> </ul>
<ul style="list-style-type: none"> <li>Regularly solicit orders in Utah</li> </ul>		<ul style="list-style-type: none"> <li>Related seller wholly owns the seller</li> </ul>
<ul style="list-style-type: none"> <li>Regularly deliver property in Utah (other than by common carrier or US mail)</li> </ul>		AND,
<ul style="list-style-type: none"> <li>Regularly lease or service property located in Utah</li> </ul>		<ul style="list-style-type: none"> <li>Seller sells the same or very similar line of products as the related seller under the same or very similar name <u>or</u></li> </ul>
		<ul style="list-style-type: none"> <li>Related seller's place of business or one of its in-state employees is used to advertise, promote or assist sales by the seller.</li> </ul>

More information regarding nexus can be found in Tax Commission Publication 37



# Marketplace Facilitators Tax Rates (Sourcing)

Find tax rates online at [tax.utah.gov/sales/rates](https://tax.utah.gov/sales/rates).

Orders received at a Utah location will be sourced at the sellers location.

A facilitator must collect sales tax for orders received outside of Utah and products delivered to Utah locations at the tax rate of the buyer's location.

Lodging rentals are subject to the tax rate at the location of the rental, not the provider's mailing address.

See Pub 25 for sourcing requirements for telecommunication charges and sales of leases, vehicles and transportation equipment.



# Marketplace Sellers

Marketplace sellers do not need to have a Utah sales tax license for facilitated sales unless they have Utah nexus and make sales outside a marketplace.

- The return they file will NOT include marketplace sales
- Only sales made outside of the marketplace will be reported on their own returns.

Marketplace sellers are not liable for taxes a facilitator is required to collect.





# Purchasers

If a purchaser buys from a marketplace facilitator and sales tax is not collected, the purchaser is required to report and remit use tax on those purchases.

- This may be reported by Utah sales tax license holders on line 4 of the Utah sales tax return.
- For individuals and businesses without a Utah sales tax license, this may be done on your individual or business income tax return.

A purchaser who is charged incorrect sales tax by a marketplace facilitator may seek a refund from the marketplace facilitator.

- If the marketplace facilitator will not refund the tax, you may request a purchaser refund through the Utah State Tax Commission using form TC-62PR.



# Restaurants Using Facilitators Self Review Project

Project started in March 2023

- [tax.utah.gov/selfreview](https://tax.utah.gov/selfreview)
- Restaurants Using Facilitators

Letter packet sent to over 7,500 restaurants

- Letter explaining the project, referring to the FAQ sheet, and instructing them to fill out the Reply form
- Reply form
- FAQ sheet



# Restaurants Using Facilitators Self Review Project

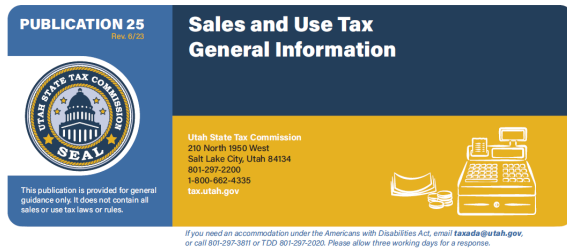
## Reply form

- Do they use facilitators?
- Have they included the facilitators sales with their in-house sales on their own return?
- Ask to review their records and report all unreported facilitator sales in the next reporting period.
  - Sales tax return – include unreported facilitator sales on line 6 (one time adjustment) and include a comment
  - Restaurant tax return – include in house sales and facilitator sales together as there is no adjustment field

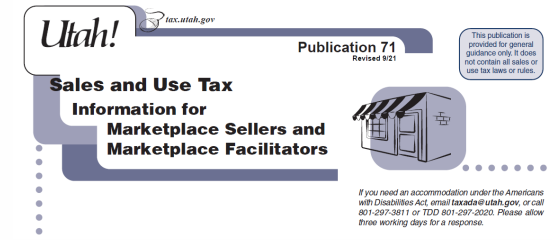


# Tax Commission Resources





# Sales Tax Publications

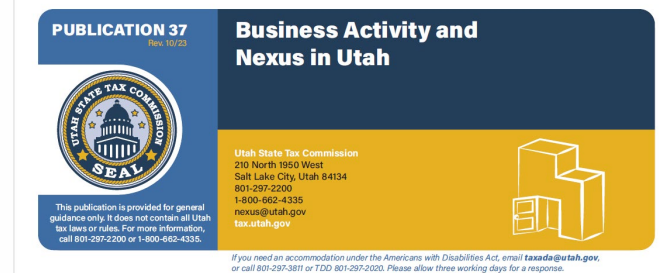


## List of helpful related publications:

Pub 25 - Sales and Use Tax General Information

Pub 37 - Business Activity and Nexus in Utah

Pub 71 - Sales Tax Information for Marketplace Sellers and Facilitators



# Tax Commission Resources

Contact Us	
Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996 Email: <a href="mailto:tapsupport@utah.gov">tapsupport@utah.gov</a>
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	<a href="mailto:taxmaster@utah.gov">taxmaster@utah.gov</a>
Online Resources	
Tax Commission Website	<a href="http://tax.utah.gov">tax.utah.gov</a>
Forms and Publications	<a href="http://tax.utah.gov/forms">tax.utah.gov/forms</a>
Online Services (TAP)	<a href="http://tap.utah.gov">tap.utah.gov</a>
Sales and Use Tax Information	<a href="http://tax.utah.gov/sales">tax.utah.gov/sales</a>
Tax Training	<a href="http://tax.utah.gov/training">tax.utah.gov/training</a>





# Sales and Use Tax Workshops

[tax.utah.gov/training/workshops/sales-use-tax](https://tax.utah.gov/training/workshops/sales-use-tax)

We have four scheduled workshops throughout the year. Please use the email below to register and you will be sent information to access the workshop. Check the link above for future dates.

If you would like a recording of the workshop, please send an email to [taxtraining@utah.gov](mailto:taxtraining@utah.gov) and we can send it to you by email. We encourage you to attend on these dates so you will have opportunities to ask questions.

The screenshot shows the 'Sales & Use Tax Workshop' registration page. On the left is a sidebar with links: 'Tax Instruction & Training', 'Tax Workshops' (with a plus icon), 'Small Business Employer Tax Workshop', 'Sales & Use Tax Workshop', 'TAP Help for Garnishments', and 'SALT Report & Tax FAQ'. The main content area has a title 'Sales & Use Tax Workshop' and a printer icon. Below the title, it states: 'This free workshop helps new business owners understand the basics of Utah's sales and use tax, including:'. A bulleted list follows: 'Licensing requirements', 'Tax rates', 'Filing returns', 'Remitting tax', and 'The basics of what is taxable versus what is exempt'. Below this, it says 'Registration is required—see below.' A green-bordered box titled 'Scheduled Dates' contains a red 'Please note: All workshops are currently only held online.' and text stating 'All workshops are taught from 9:00 a.m. to 11:30 a.m. GoTo Meetings are held online and you'll receive instructions when registering.' A bulleted list of dates is provided: 'Wednesday January 24, 2024', 'Wednesday April 24, 2024', 'Wednesday July 17, 2024', and 'Wednesday October 23, 2024'. Below this is a 'Location' section stating 'Currently all workshops are online' and 'You will receive the link when registering'. A blue-bordered box titled 'To Register' contains the email 'taxtraining@utah.gov' and the note 'CPE Credits are not offered for workshops offered by the Tax Commission'.

## Sales & Use Tax Workshop

This free workshop helps new business owners understand the basics of Utah's sales and use tax, including:

- Licensing requirements
- Tax rates
- Filing returns
- Remitting tax
- The basics of what is taxable versus what is exempt

Registration is required—see below.

### Scheduled Dates

**Please note:** All workshops are currently only held online.

All workshops are taught from 9:00 a.m. to 11:30 a.m. GoTo Meetings are held online and you'll receive instructions when registering.

- Wednesday January 24, 2024
- Wednesday April 24, 2024
- Wednesday July 17, 2024
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### Location

- Currently all workshops are online
- You will receive the link when registering

### To Register

Email: [taxtraining@utah.gov](mailto:taxtraining@utah.gov)  
CPE Credits are not offered for workshops offered by the Tax Commission



# Sales Tax Check up

[tax.utah.gov/training/sales-tax-checkup](http://tax.utah.gov/training/sales-tax-checkup)

## Sales Tax Check Up



**Register at [salestaxcheckup@utah.gov](mailto:salestaxcheckup@utah.gov)**

Let us help with your sales and use tax reporting by conducting a Sales Tax Check Up. A tax examiner will visit you to educate you on how to properly account for and report your sales and use taxes. You will receive instructions specific to your business and accounting software regarding:

- Which report(s) to use to file sales and use tax returns
- What documentation is needed for exempt sales
- Identify transactions subject to sales or use tax
- What tax rates and correct taxing jurisdiction to use
- How to correctly accrue and report use tax
- What appropriate adjustments to make

Sales Tax Check Ups are meant to be educational only, and no tax assessments are made. A tax examiner can answer your specific questions. To register for a Sales Tax Check Up, contact us at [salestaxcheckup@utah.gov](mailto:salestaxcheckup@utah.gov).



THANK YOU FOR VIEWING THIS WEBINAR

