



TaxNewsFlash

United States



No. 2021-306
July 26, 2021

KPMG report: Marketplace facilitator legislation (Alaska, Colorado, Florida, Illinois, Kansas, Missouri)

With recent legislation in Missouri, all U.S. states that impose sales and use taxes now have economic nexus and marketplace facilitator laws.

The following discussion briefly summarizes marketplace legislation and developments in several states.

- **Alaska:** Ordinances in certain localities impose economic nexus and require marketplace facilitators to collect local sales and use tax.
- **Colorado:** Certain home rule jurisdictions now have ordinances imposing economic nexus and requiring marketplace facilitators to collect local sales and use tax.
- **Florida:** The marketplace facilitator statute enacted this year has an effective date of July 1, 2021. A “tax information publication” (TIP No. 21A01-03) provides guidance from the Department of Revenue regarding the marketplace provider requirement. It states that marketplace providers and persons making remote sales who register by October 1, 2021, will not be held liable for the remittance of sales tax on untaxed remote sales made prior to July 1, 2021, unless the provider or person was under audit; had been issued a bill, notice, or demand for payment; or was under an administrative or judicial proceeding as of July 1, 2021.
- **Illinois:** The Department of Revenue revised certain guidance items addressing the state’s marketplace facilitator law (that has an effective date of January 1, 2021). A new emergency regulation (dated July 13, 2021) revises certain provisions of a previously issued compliance alert addressing the obligations of marketplace facilitators that facilitate sales by food service establishments. Under the revised emergency regulation, food delivery services that are considered marketplace facilitators must collect and remit the Metropolitan Pier and Exposition Authority (MPEA) retailers’ occupation tax and the Chicago home rule municipal soft drink tax, as well as sales tax on the sale. Previously, the compliance alert indicated marketplaces did not have to collect the MPEA tax and that marketplace sellers would continue to collect and remit MPEA. The emergency regulation provides that marketplace facilitators must certify to food service

establishments that the food delivery service assumes the rights and duties of a retailer under the Retailers' Occupation Tax Act and all applicable local taxes administered by the Department for sales made by the food service establishment on the marketplace, and that it will remit all such taxes for such sales.

- **Kansas:** The marketplace facilitator statute has an effective date of July 1, 2021. At this time, it does not appear that the Department of Revenue has issued any guidance on the new marketplace facilitator collection requirement.
- **Missouri:** The governor on June 30, 2021, signed Senate Bill 153 that adopts an economic nexus standard for sales tax purposes and also requires marketplace facilitators to collect and remit sales tax on facilitated sales, effective January 1, 2023. With this legislation, all U.S. states that impose sales and use taxes now have economic nexus and marketplace facilitator laws.

Read a [July 2021 report](#) prepared by KPMG LLP

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)