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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

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