

Subject June accelerated vendor tax liability percentage reduced based on November forecast

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Overview

This bill reduces the percentage of June sales tax liability that must be remitted on an accelerated basis by certain businesses until the percentage reaches zero, and the June accelerated payments are no longer required. Any reduction in percentage is based on a state budget surplus as determined by the November forecast.

Effective July 1, 2021.

Background

Under current law, businesses with annual sales tax liability over \$250,000 must remit their June sales tax liability before the end of June, while all other vendors not meeting this threshold remit June liabilities in July.

The percentage of required payment is determined each year by the commissioner of revenue. Currently, the percentage is 84.5 percent.

Lastly, statute allows for the allocation of revenue based on a forecast if the commissioner of management and budget determines a surplus at the end of a biennium. These allocations are listed in priority order in statute.

Summary

Section	Description
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| 1 | Additional revenues; priority.
Requires the reduction of the percentage of accelerated June sales tax liabilities of certain businesses if there is a budget surplus determined by a November forecast. |
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Section	Description
	The reduction in percentage is priority number six for the allocation of additional revenues in a surplus situation. The percentage will only be reduced if the other five priorities are met first.
2	Sales and use tax. Requires the expiration of the June accelerated payment after the percentage is reduced to zero.



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