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The Week in Public Finance: Thanks to SCOTUS, States Are Taxing Online Sales. But the Legal Fight May Not Be Over.

In its bid to start collecting a sales tax on internet purchases, Colorado could run afoul of the Supreme Court's ruling.

The U.S. Supreme Court may have ruled that states can collect sales taxes for online purchases, but it turns out it's not so easy. Thanks to the complexities of tax structures in some states, the legal challenges may not be over.

This week, Colorado signaled it was moving forward on taxing out-of-state retailers by notifying them of a new requirement. In order to sell goods online to Coloradans, retailers have to register by Nov. 30 for a remote seller's license.

But here's the potential problem: As it's worded, Colorado's notice puts the onus on out-of-state retailers to figure out how to comply with one of the most complicated taxing structures in the country. The state has more than 300 separate sales tax jurisdictions which are locally administered. In its landmark sales tax ruling, *Wayfair v. South Dakota*, the Supreme Court said that a state may require collection of sales tax by out-of-state internet retailers so long as the law does not discriminate against or place excessive burdens on retailers.

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