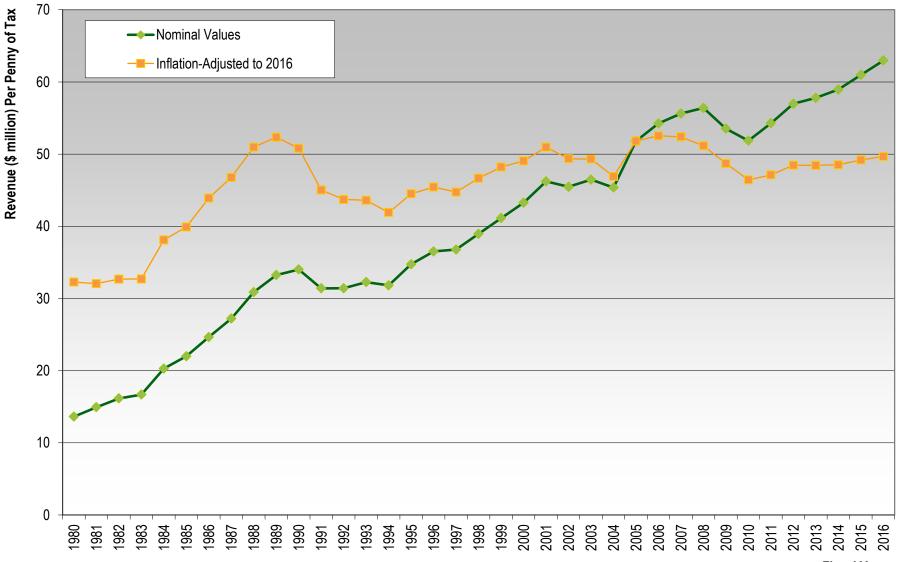
Internet Sales Tax Presentation

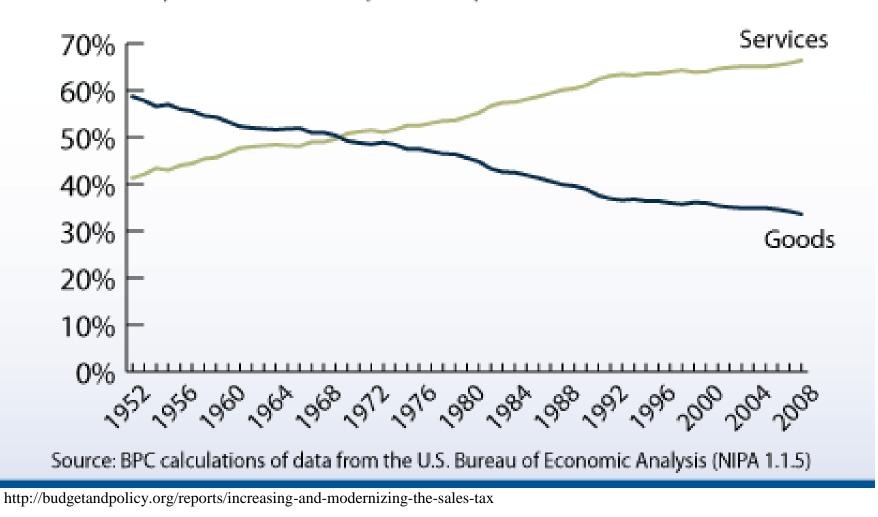
Sara Teachout, Joint Fiscal Office January 12, 2017

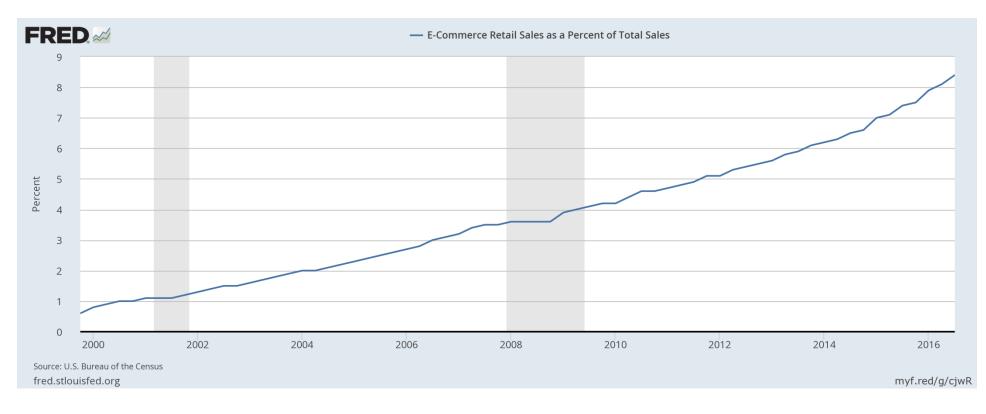
Sales Tax Revenue Per Penny of Tax FY 1980 to 2016



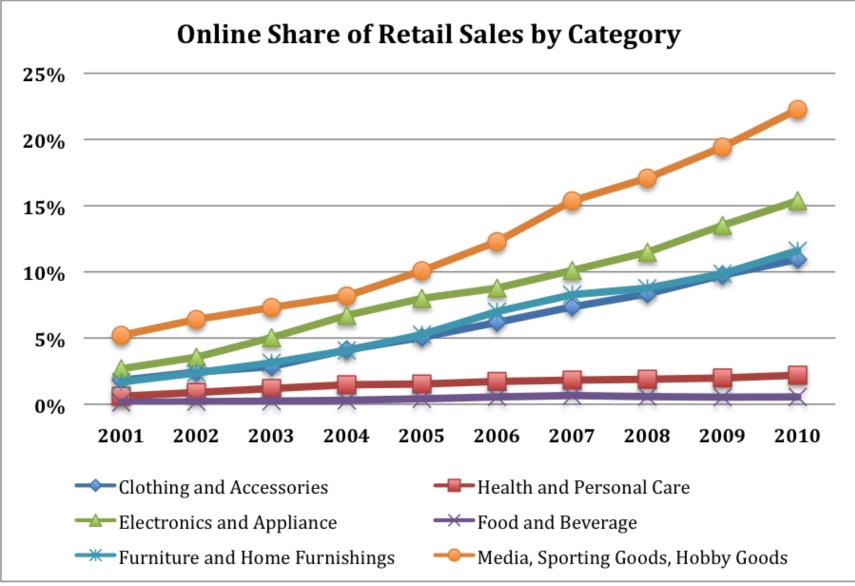
Fiscal Year

Figure 3: Goods and services in the U.S. as a share of personal consumptions expenditures, 1952-2008

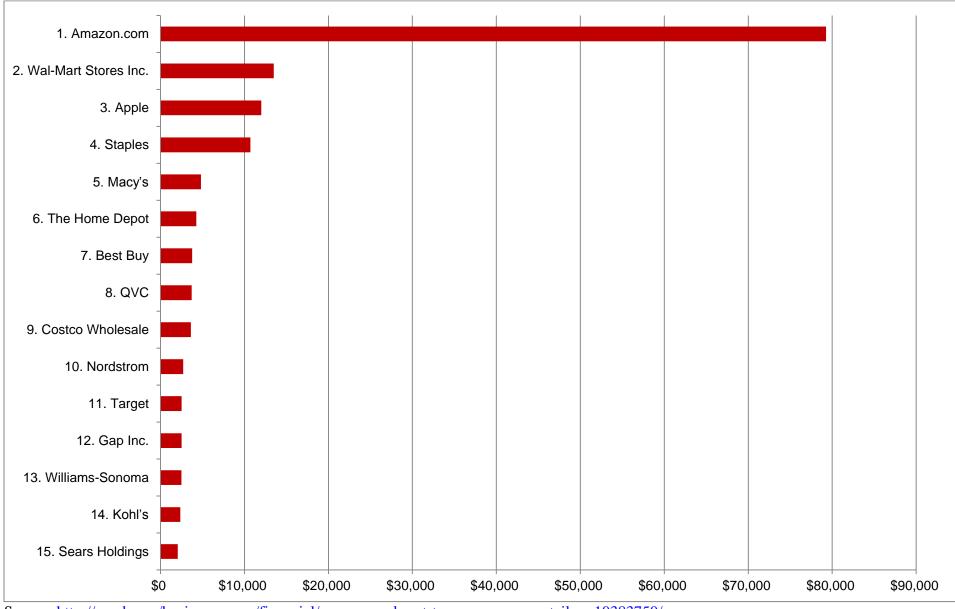




Growth in E-Commerce Retail Sales



Source: http://jeff.a16z.com/category/e-commerce/



Source: <u>http://wwd.com/business-news/financial/amazon-walmart-top-ecommerce-retailers-10383750/</u> March 7, 2016

Top 25 U.S. E-commerce Retailers (ranked by annual sales)

	E-commerce Sales	
Company:		E-commerce Share of
	(in U.S. millions):	Total Sales:
1. Amazon.com	\$79,268	74.10%
2. Wal-Mart Stores Inc.	\$13,484	2.80%
3. Apple	\$12,000	5.10%
4. Staples	\$10,700	55.50%
5. Macy's	\$4,829	17.50%
6. The Home Depot	\$4,267	5.00%
7. Best Buy	\$3,780	9.40%
8. QVC	\$3,722	42.70%
9. Costco Wholesale	\$3,618	3.10%
10. Nordstrom	\$2,699	18.90%
11. Target	\$2,524	3.40%
12. Gap Inc.	\$2,519	15.60%
13. Williams-Sonoma	\$2,501	50.70%
14. Kohl's	\$2,367	12.40%
15. Sears Holdings	\$2,057	7.90%
16. Wayfair	\$1,919	100.00%
17. Walgreens	\$1,883	1.70%
18. L Brands	\$1,816	15.40%
19. HSN	\$1,810	49.20%
20. Groupon	\$1,747	56.00%
21. Overstock.com	\$1,648	100.00%
22. Lowe's	\$1,636	2.80%
23. Victoria's Secret (L Brands)	\$1,485	19.90%
24. Nike	\$1,410	4.50%
25. Neiman Marcus	\$1,389	27.40%
Source: eMarketer		

http://wwd.com/business-news/financial/amazon-walmart-top-ecommerce-retailers-10383750/

By Arthur Zaczkiewicz on March 7, 2016

Marketplace Fairness Estimates

National Stats on E-commerce from U.S. Census Bureau	FY 2015			2009	2008	2007	2006
Total (in \$ billions) (2013 data http://www.census.gov/econ/estats/2013/all2013tables.html)	5,470	4,823	4,251	3,513	3,795	3,474	3,049
B-to-B (business to business)	4,857	4,283	3,778	3,159	3,522	3,223	2,841
Manufacturing	3,073	2,710	i	1,892	2,171	1,879	1,567
Merchant Wholesale	1,784	1,573		1,267	1,351	1,344	1,275
Excluding MSBOs	949	836		705	728	722	673
B-to-C (business to consumer)	612	540	474	354		251	207
Retail	220	194		143		135	112
Selected Services	392	346	307	211	133	116	95
Business-to-Business E-Commerce (in \$ billions)							
B2B e-commerce mfg + merchant wholesale, excluding MSBOs	4,857	4,283	3,778	3,159	3,522	3,223	2,841
% Exempt B2B	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Taxable B2B sales	1,184	1,044	921	770	858	786	693
B2B compliance Rate	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Taxable B2B sales with uncollected sales tax	355	313	276	231	257	236	208
Vermont share (GSP/GDP) (\$1000000)	622,797	555,739	495,428	406,214	443,475	406,578	369,144
Vermont share (GSP/GDP)	0.175%	0.177%	0.179%	0.176%	0.172%	0.173%	0.178%
Taxable B2B VT e-commerce with uncollected S&U Tax (\$1000)							
Business-to-Consumer Retail E-Commerce							
B2C total U.S.retail e-commerce (in \$ billions)	220	194		143	140	135	112
Vermont share (based on share of population)	0.00201	0.002027	0.002027	0.002025	0.002040	0.002057	0.002076
Vermont share B2C retail e-commerce (\$1000)	441,973.1	392,989.3	337,493.6	290,179.5	285,634.7	278,164.0	233,556.5
% Exempt (VT)	0.3	0.3	0.3	0.3		0.3	0.3
Taxable VT B2C e-commerce sales (\$1000)	309,381.2	275,092.5	236,245.5	203,125.7	199,944.3	194,714.8	163,489.6
Voluntary Business Compliance	new						
Use Tax Compliance	0.18	0.18	0.18	0.15	0.12	0.1	0.1
Taxable B2C e-commerce with uncollected S&U tax (\$1000)	253,692.58	225,575.8	193,721.3	172,656.8	175,951.0	175,243.3	147,140.6
Total taxable sales B2B + B2C retail	876,489,575	781,315,337	689,149,785	578,870,872	619,425,598	581,821,204	516,284,854
6% sales tax rate							
FY 2017 adjustment	52,589,375						
	(26,294,687)	Small-seller ex	emption (\$1 mill	ion in gross ani	nual receiptsU	S)	
Potential Sales and Use Tax Revenue from Remote Sales							
mandatory collection	26,300,000	Full Year Estimate					
full implementation	17,500,000	17,500,000 Partial Year based on enactment date and start up delay					
no exemptions (for small sellers etc)							
	* Assumptions	s for FY15 estir	nate: Congress	passes autho	rizing legislation	n in June 2014	
Prepared by JFO/st	Vermont beg	gins collecting t	ax 1 quarter aft	er federal pass	age = 8 months	s of tax	
	REVISED by J	JFO/Tax					

TOTAL RESIDENT RETURNS

	Total resident returns	Returns reporting any Use Tax	% reporting Use Tax	Use Tax dollars
2012	290,249	19,666	6.80%	1,075,832
2013	294,958	30,487	10.30%	1,652,709
2014	286,399	28,878	10.10%	1,985,884

Year to year Use Tax comparison (as of May 27 in all years)

A 20% increase in Use Tax revenue even with a 2% decrease in reporting and over last year at this time.

N.B. TY 2012 was the last TY without our check box. UT Revenue has nearly doubled since then and reporting has increased 50%.

Breakout:

RETURNS DONE BY TAX PRACTITIONERS

Year to year Use Tax comparison (as of May 27 in all years)

	Total resident practitioner returns	Returns reporting any Use Tax	% reporting Use Tax	Use Tax dollars
2012	139,931	9,044	6.50%	552,956
2013	140,715	17,513	12.40%	994,253
2014	137,101	16,031	11.70%	1,201,188

A 21% increase in Use Tax revenue even with a 6% decrease in reporting and over last year at this time.

SELF-PREPARED RETURNS

Year to year Use Tax comparison (as of May 27 in all years)

	Total resident self-prep returns	Returns reporting any Use Tax	% reporting Use Tax	Use Tax dollars
2012	150,318	10,622	7.10%	522,876
2013	154,243	12,974	8.40%	658,456
2014	149,298	12,847	8.60%	784,696

A 19% increase in Use Tax revenue even with a 2% decrease in reporting and over last year at this time. Source: Vermont Department of Taxes