

HOUSE No. 3331

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Lawn, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to internet sales tax.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>	<i>1/20/2017</i>
<i>James M. Cantwell</i>	<i>4th Plymouth</i>	<i>2/3/2017</i>
<i>Michael S. Day</i>	<i>31st Middlesex</i>	<i>2/2/2017</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/2/2017</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>2/1/2017</i>
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	<i>2/2/2017</i>
<i>Barbara A. L'Italien</i>	<i>Second Essex and Middlesex</i>	<i>2/1/2017</i>
<i>Jeffrey N. Roy</i>	<i>10th Norfolk</i>	<i>2/3/2017</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	<i>1/31/2017</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>	<i>2/1/2017</i>

HOUSE No. 3331

By Mr. Lawn of Watertown, a petition (accompanied by bill, House, No. 3331) of John J. Lawn, Jr. and others that noncollecting Internet vendors notify purchasers that sales or use taxes are due on nonexempt purchases. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to internet sales tax.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 64H section 1 of the Massachusetts General noncollecting vendor making sales
2 into Massachusetts shall notify Massachusetts purchasers that sales or use tax is due on
3 nonexempt purchases Laws is amended by adding the following definition:

4 (XX) “Noncollecting vendor” means a vendor that sells tangible personal property or
5 services to purchasers who are not exempt from the sales tax under this chapter, but that does not
6 collect the Massachusetts sales tax.

7 Chapter 64 H is hereby amended by adding the following new section;

8 (XXX) NOTICE REQUIREMENTS FOR NONCOLLECTING VENDORS

9 (a) Each made from the noncollecting vendor and that the State of Massachusetts requires
10 the purchaser to pay the tax due on his or her tax return. Failure to provide the notice required by

11 this subsection shall subject the noncollecting vendor to a penalty of \$50.00 for each such
12 failure, unless the noncollecting vendor shows reasonable cause for such failure.

13 (b) Each noncollecting vendor shall send notification to all Massachusetts purchasers on
14 or before January 31 of each year showing the total amount paid by the purchaser for
15 Massachusetts purchases made from the noncollecting vendor in the previous calendar year. The
16 notice requirement in this subsection only applies to Massachusetts purchasers who have made
17 \$150.00 or more of purchases from the noncollecting vendor in the previous calendar year. The
18 notice shall include any information required by the Commissioner by rule. The notification shall
19 state that the Commonwealth of Massachusetts requires a sales or use tax return to be filed and
20 sales or use tax paid on nonexempt purchases made by the purchaser from the noncollecting
21 vendor. The notification required by this subsection shall be sent separately to all Massachusetts
22 purchasers by first-class mail or electronic mail and shall not be included with any other
23 shipments. The notification shall include the words "Important Tax Document Enclosed" on the
24 exterior of the mailing. The notification shall include the name of the noncollecting vendor.
25 Failure to send the notification required by this subsection shall subject the noncollecting vendor
26 to a penalty of \$50.00 for each such failure, unless the noncollecting vendor shows reasonable
27 cause for such failure.

28 (c) Each noncollecting vendor shall send notification to the Department on or before
29 January 31 of each year showing the total amount of sales or use tax that is owed by
30 Massachusetts consumers who made from the noncollecting vendor in the previous calendar
31 year. Failure to send the notification required by this subsection shall subject the noncollecting
32 vendor to a penalty of \$500,000, unless the noncollecting vendor shows reasonable cause for
33 such failure.

34 (d) The Commissioner is authorized to adopt rules or procedures, or to create forms,
35 necessary to implement this section. Penalties imposed under this section shall be subject to the
36 same administrative and appeal provisions established in this chapter.