



Chairman Adam Smith
House Taxation Committee
Room 115-N Statehouse
Topeka, KS 66612

Re: T-Mobile Support for SB 50: Kansas – Marketplace Facilitator and Critical 911 Funding

Dear Chairman Smith:

I am writing to express T-Mobile's support for SB 50 that would require "marketplace facilitators" to collect and remit sales taxes on transactions when they facilitate a sale through their online marketplaces. Marketplace facilitators are companies like Amazon and eBay that provide an online marketplace for sellers to connect with buyers to facilitate a sale. Currently, Kansas is one of only three states with sales taxes that do not have marketplace facilitator collection provisions in statute.

Parity

Passing SB 50 would ensure that marketplace facilitators follow the same collection and remittance requirements as "brick and mortar" sellers and other on-line sellers. This would ensure that sellers using a marketplace facilitator do not have a competitive advantage over other sellers who must collect and remit sales taxes. Kansas should not favor one sales channel (e.g., online sales through marketplace facilitators) over another (bricks and mortar sales or direct on-line sales). Passage of SB 50 will also ensure that Kansas and its local governments with sales taxes will receive the appropriate revenues from all taxable transactions.

Public Safety and Prepaid Wireless Point-of-Sale ("POS") 911 Fees

Regarding sales of prepaid wireless service, Kansas Statutes (KSA 12-5371) currently require sellers of prepaid wireless service to collect the prepaid wireless 911 fee in addition to the sales tax. Prepaid providers have worked closely with Public Safety and with retailers over the years to develop the POS model which includes procedures that closely mirror those used for the sales tax collection and remittance process. This charge is and will continue to be an integral component of 911 funding in Kansas.

As passed by the Senate (35-3), SB 50 would require marketplace facilitators selling prepaid wireless service to collect the prepaid 911 fee in addition to the sales tax beginning on April 1, 2022. Enactment of SB 50 with this provision will ensure parity between marketplace facilitators and other sellers of prepaid wireless service for both sales taxes and 911 fees.



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Thank you for your consideration of T-Mobile's position in support of SB 50.

A handwritten signature in black ink that reads "Patrick R. Fucik".

Patrick Fucik
Director State Government Affairs

T-Mobile

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