

Mitigation: Destination-based Sales Tax Glossary

May 30, 2008

Gain or loss in sales tax is the difference between the local jurisdiction's actual FY 2009 *destination-based* taxable sales and the estimated FY 2009 *origin-based* taxable sales.

Voluntary compliance revenue is the local sales tax revenue gain to each local taxing jurisdiction reported to the Department of Revenue by sellers in other states voluntarily registered through the SSUTA.

Net Loss

A local jurisdiction's loss in sales taxes due to destination-based sales reduced by the voluntary compliance revenue received by the local jurisdiction equals the "net loss."

Net Gain

If voluntary compliance revenue is greater than the loss in sales tax due to destination-based sales, the local jurisdiction has a "net gain." When the voluntary compliance revenue is added to the gain in sales tax, the result is also referred to as the net gain.

Fiscal Year (FY)

The state fiscal year beginning July 1 and ending June 30. For example, FY 2009 begins July 1, 2008 and ends on June 30, 2009.