



September Member Briefing: Online Sales Tax Implications for Artists and Arts Organizations

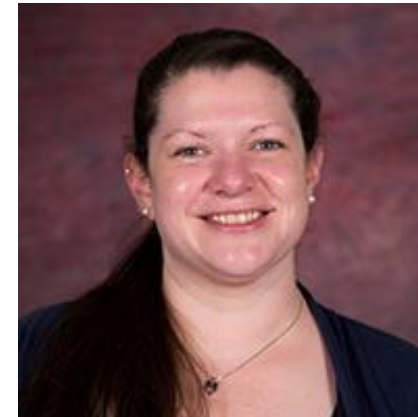
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Kate McClanahan,
Director of Federal Affairs
Americans for the Arts



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Local Arts Advancement Program Manager
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South Dakota v. Wayfair

(South Dakota won!)

“In June, the Supreme Court in South Dakota v. Wayfair, overturned more than 25 years of legal precedent [and] cleared the way for states to require out-of-state sellers to collect in-state sales tax when selling to residents in that state.”

Jonathan E. Johnson III, Opinion Contributor
— 09/12/18 11:15 AM EDT

So, this is a tax issue.

It's really a state revenue issue.

For us, it is a shipping issue.

What's Financially at Stake?

- State and local governments could gain from \$8 – 13 billion annually.
- That's an average gain of about \$200 million to each state (ranging from more than \$1 billion in more populated states like California, to \$20 million in less populated states like Vermont.)

What Does The Decision Mean for Artists & Arts Organizations?

- Every business that has customers in multiple states (assuming they are not just those 5 states without a sales tax) are impacted.
- Art galleries
- For the creative economy, there is a lot to be revealed in how artworks, crafts, and creative products might be treated through anticipated state tax changes.
- Etsy

Where Can I Go to Learn More?

- ✓ ARTS Blog
- ✓ Track state response
- ✓ #SDvWayfair



Justice Kennedy with opinion in *South Dakota v. Wayfair*
(Art Lien)