

SaaS, cloud and digital goods and services to end users.

3. Foreign companies with no permanent US establishment that sell into the US.

The Impact on Taxpayers and Seller

The South Dakota law states that when a remote seller's sales exceed USD 100,000, or they make 200 or more separate sales transactions in the previous or current calendar year, the

"economic nexus" provision applies. (31 states adopted "economic nexus").

What Should Remote Sellers Do Now?

- If you do not have a physical presence in the states you are selling to, an evaluation of total sales volume by dollar amount and transactions by state will need to be performed.
- For both "traditional" and "economic" nexus, even though nexus exists, if all sales are exempt, there may not be a need

to register in the specific state.

- If you decide to register to collect and remit sales tax in multiple states, depending on the complexity/volume of your sales, an automated tax solution may be critical for implementation.
- A detailed review may be necessary to analyse the character of your company's product or service and whether it is subject to sales and/or use tax. If it is necessary to register for income tax, your company will most likely also need to register for sales or use tax.

Rules on the Treatment of Vouchers after Transposition of EU Directive 2016/1065

By Pasquale Della Corte

Italy has recently implemented the Voucher Directive and amended the VAT Decree with reference to vouchers issued from 01 January 2019. The purpose of the measure is to identify the moment in which transactions underlying the use of the voucher are considered to have been carried out for VAT purposes.

The voucher represents the instrument that includes the obligation to be accepted as the total or partial consideration regarding a transfer of goods or a provision of services. The voucher itself (or the respective documentation) indicates the goods or services to be transferred/provided and/or the identity of the potential

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sellers or providers, including the general terms and conditions of use.

The underlying transaction for VAT purposes (purchase of goods or a service) to which

the voucher gives entitlement is considered to be carried out:

- for the single-purpose voucher, at the date the voucher is issued and for each subsequent transfer thereof;

- for the multi-purpose voucher, at the date the underlying transaction is carried out; the mere transfers of vouchers are not relevant for VAT purposes.

Furthermore, in the case of the single-purpose voucher, if the underlying transaction is carried out by a party other than the party that issued the voucher, then the transaction is considered to be carried out in relation to the issuer.

With regard to the multi-purpose voucher, its commercial distribution represents a taxable service regardless of the underlying transaction. However, if a specific consideration is not envisaged for this service, then the taxable base is to be extrapolated from the monetary value of the voucher.

In general, the taxable base of the multi-purpose voucher consists of the consideration due for the voucher or, in the absence thereof, the monetary value of the voucher relating to the underlying transaction, net of VAT; and, if only used partially, the taxable base corresponds to the respective part of the consideration or of the monetary value.

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and private and public companies, as well as non-profit organisations.

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VAT on Electronically Supplied Services in 2019

By **Valeria Khmelevskaya**

Along with the increase of the VAT rate from 18% up to 20%, the so called "Google tax" introduced previously as VAT on electronically-supplied services ("electronic services") remains one of the hot topics in Russia. Starting from 2019, foreign entities rendering

B2B electronic services to Russian clients are also obliged to register with the Russian tax authorities. Previously, this obligation existed for B2C service providers only.

The list of services is provided in Article 174.2 of the Russian Tax Code and includes, inter alia, the provision of rights to use software and

databases via the internet, including remote access and updates; internet advertising services; providing access to platforms, search engines, etc.

Based on recent interpretations by the Russian tax authorities, similar services which are provided via any other automated systems may qualify as electronic as well.