

**SB 5838-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Clarifies that: (1) A person who has a substantial nexus in the state in any tax year is deemed to have a substantial nexus with the state the following year; and

(2) A seller is not obligated to collect use tax if the state is prohibited from requiring the person to collect the tax.

Authorizes a business and occupation tax deduction to:  
(1) A health or social welfare organization on amounts received as compensation for providing child welfare services under a government-funded program; and

(2) A person on amounts received from the state for distribution to a health or social welfare organization that is eligible to deduct the distribution.