



U.S. Small Business
Administration

Tax Tool

#innovation

BiTs Team - SBA Innovation Sprint- 25 July 2018

Vision

To provide a resource for small business owners to navigate the new online sales ruling.

#taxteam

PO



Anna Kojzar

Design



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Dev



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Content



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Data



Thomas Emerick

South Dakota v. Wayfair, Inc.

The Supreme Court rules in favor of South Dakota

June 21, 2018

- Unleashes massive new regulatory burdens on small businesses
- Small businesses now will be forced to become tax collectors for more than 12,000 taxing jurisdictions across the country
- Varying threshold /nexus levels by state



“How might we help small businesses navigate new online sales tax laws?”

Who?

User Personas

Small Business Owners

Freelance Web Developer

Accountant



Andrea Miller

Andrea is a founder of a health foods line that's steadily growing in popularity. She has a couple employees helping with food production but she deals with a lot of administrative things herself such as managing her website which she created with something like Wordpress or Squarespace.

- Age 42
- CEO
- US Veteran
- Small Business Owner

Goals

- Reducing operational waste while maintaining high quality in products.
- Build brand loyalty and visibility.
- Stay compliant with new online sales tax laws.

Frustrations

- Providing customer service
- Conversion
- Limited tech knowledge, doesn't want to spend too much time fussing over the site



Dan Almeda

Dan is a freelance web developer specializing in managing ecommerce sites for multiple clients. Note: he does not work for Andrea, he's just an example of another type of user working for a larger business

- Age 27
- Freelance Web Developer
- Hired on a contract basis

Goals

- Ensure the ecommerce sites he supports are as self-sufficient as possible.
- Implement a feasible solution on the site to comply with new state tax laws.

Frustrations

- Demanding clients, managing expectations
- Keeping up with latest and greatest tech
- Multiple ecommerce clients are affected by new online sales tax laws at the same.



Catherine Li

Catherine works for an accounting firm. She does accounting for multiple small businesses. Note: she'd be an example of an accountant to Andrea or businesses that Dan might support.

- Age 38
- Accountant
- Part of a firm
- Hired on a contract basis

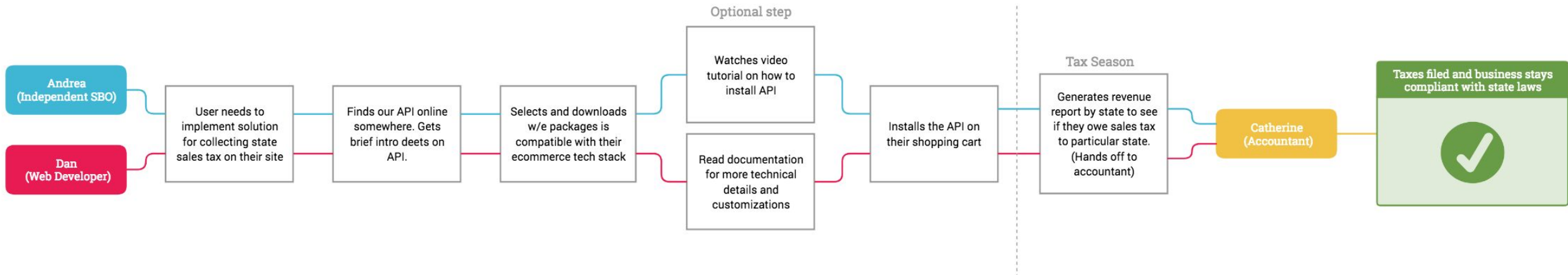
Goals

- Making sure clients' books stay balanced
- File taxes to states where number of sales exceed the online tax threshold.

Frustrations

- Juggling multiple clients, pulling all-nighters during tax season
- Navigating complex nuances in tax laws
- Heaps of paperwork

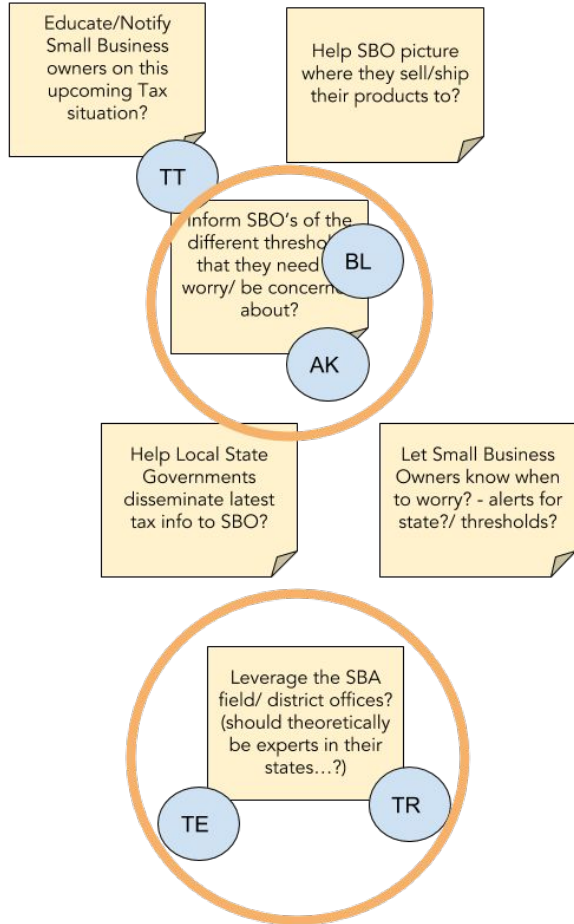
Perfect Future



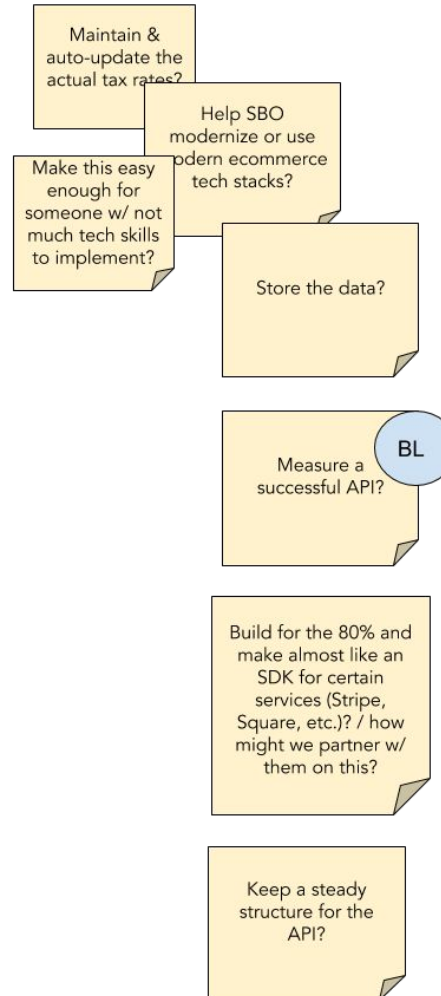
“For the SBA to provide an accurate and up-to-date online sales tax API that small business owners can use to plug into their e-commerce sites in order to calculate the new online sales state taxes across the country.”

How Might We...

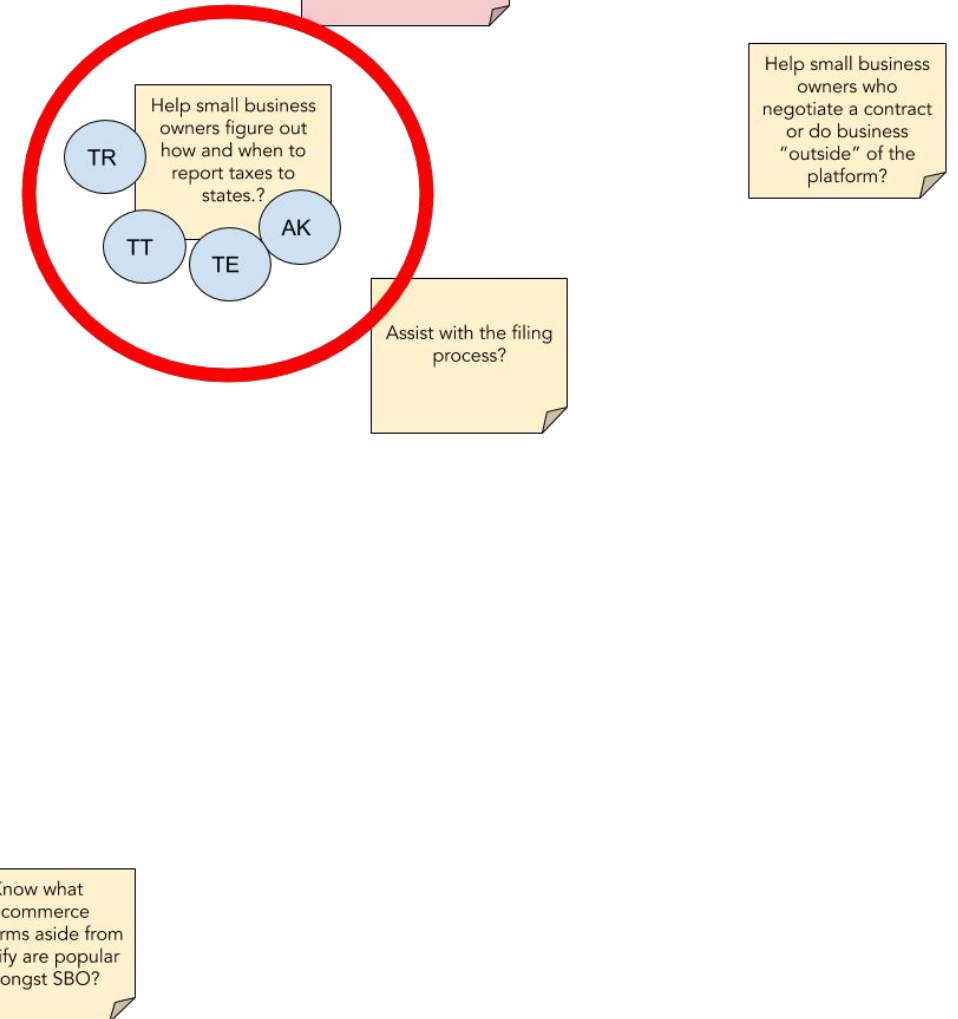
Education/ Awareness



Calculations/ Technology



Compliance



Problem

Education/Awareness & Compliance

Confusing to understand the new regulatory requirements & when small business owners need to worry about them.

Time consuming to register for permits, identify products and remember when to file.

New costs to small business in becoming compliant.



Solution

Tax Permit Preparation Tool

A new online sales tax **content page** and **tax permit preparation tool** that small business can utilize to:

Get Clarity



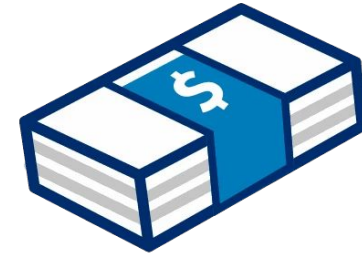
- On which states to worry about and when

Save Time



- Researching & collecting permit applications and info one by one

Save Money



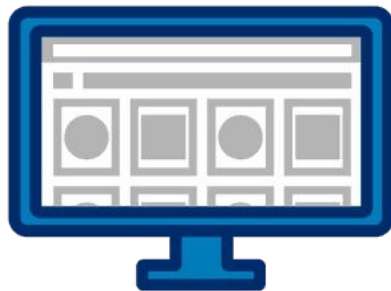
- Not paying an outside party for registrations & avoiding tax problems

DEMO

“Business Model”

We gather NAICS code & product data with per use of tool

Small business in the U.S.



NAICS code
Product data

Clothes X Shoes X Accessories X

Candy
Clothes
Digital Goods
Software as a service

Trends
(What types of companies & products are being sold to what states)



Differentiation

Why our tax tool?

First to Market

For education/ awareness & compliance help

Federal Level

A SBA resource that helps starting at a macro level

Bundling

“Do it all at once” for all the states that apply to you

Free

Helping small business owners at no cost

Educational & Utility

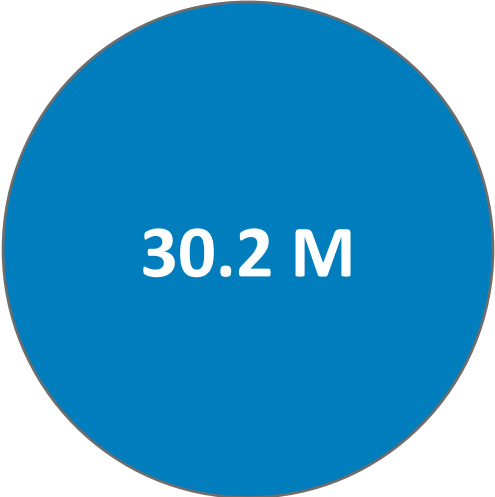
Learn something and do something

Save for Later

E-mail the info you need, get updates on important law(s)

Market Opportunity

Our tool has the potential to help 5.42+M small business in the U.S.



Small Businesses in the U.S.



26% participate
in **E-commerce**



**Potentially fall into
threshold/nexus levels**

17% of available market &
growing

Roadmap/ Timeline

Incrementally Add to the product by state based on effective date

- R1: South Dakota, Mississippi, Hawaii, Kentucky, Vermont (7/1/18 effective date or before)
- R2: (10/1/18) Illinois, Maine, North Dakota, Wisconsin
- R3: (12/1/18) Connecticut
- R4: (1/1/19) Georgia, Iowa
- R5: (TBD) Minnesota, Louisiana, Alabama
- R6: (7/1/2017 under injunctions) Indian, Washington, Tennessee, Wyoming