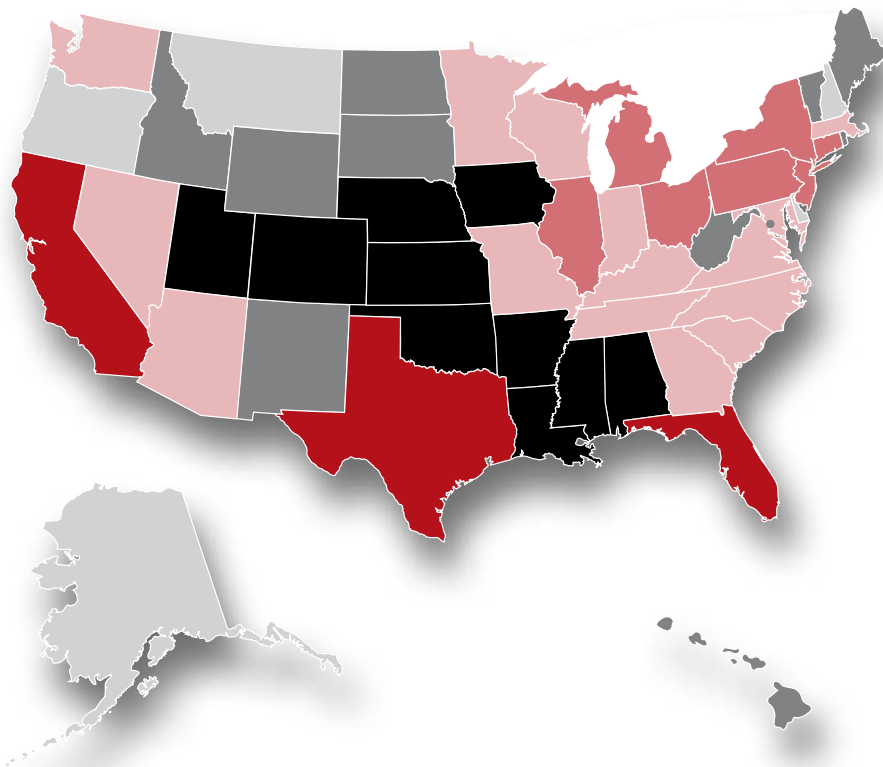


# Lost Sales Tax Impact of Return Fraud and Abuse

## STATE SALES TAX LOST DUE TO FRAUDULENT AND ABUSIVE RETURNS



### Legend

<span style="display:inline-block; width:15px; height:15px; background-color:lightgray; border:1px solid black;"></span>	\$0 Lost sales tax revenue
<span style="display:inline-block; width:15px; height:15px; background-color:gray; border:1px solid black;"></span>	<\$5 Lost sales tax revenue
<span style="display:inline-block; width:15px; height:15px; background-color:black; border:1px solid black;"></span>	\$5–\$9 Lost sales tax revenue
<span style="display:inline-block; width:15px; height:15px; background-color:lightpink; border:1px solid black;"></span>	\$10–\$24 Lost sales tax revenue
<span style="display:inline-block; width:15px; height:15px; background-color:mediumslateblue; border:1px solid black;"></span>	\$25–\$49 Lost sales tax revenue
<span style="display:inline-block; width:15px; height:15px; background-color:darkred; border:1px solid black;"></span>	\$50+ Lost sales tax revenue

Sales tax revenue in millions, based on high range estimates from table.

STATE	% OF NATIONWIDE RETAIL SALES <sup>(1)</sup>
Alabama	1.50%
Alaska	0.26%
Arizona	2.24%
Arkansas	0.91%
California	11.90%
Colorado	1.70%
Connecticut	1.25%
Dist. of Columbia	0.15%
Delaware	0.37%
Florida	7.30%
Georgia	3.01%
Hawaii	0.50%
Idaho	0.51%
Illinois	4.05%
Indiana	1.99%
Iowa	0.92%
Kansas	0.79%
Kentucky	1.26%
Louisiana	1.33%
Maine	0.51%
Maryland	1.99%
Massachusetts	2.34%
Michigan	3.10%
Minnesota	1.80%
Mississippi	0.89%
Missouri	1.97%
Montana	0.36%
Nebraska	0.62%
Nevada	1.14%
New Hampshire	0.67%
New Jersey	3.12%
New Mexico	0.62%
New York	5.93%
North Carolina	2.89%
North Dakota	0.25%
Ohio	3.39%
Oklahoma	1.00%
Oregon	1.27%
Pennsylvania	4.07%
Rhode Island	0.34%
South Carolina	1.36%
South Dakota	0.32%
Tennessee	2.10%
Texas	7.49%
Utah	0.84%
Vermont	0.25%
Virginia	2.63%
Washington	2.26%
West Virginia	0.54%
Wisconsin	1.80%
Wyoming	0.21%
Total	

<sup>(1)</sup> Source: National Retail Federation

SALES	RETURNS	STATE SALES TAX RATE <sup>(2)</sup>	LOW-END ESTIMATE		HIGH-END ESTIMATE	
			RETURN FRAUD	LOST SALES TAX REVENUE	RETURN FRAUD/ABUSE	LOST SALES TAX REVENUE
\$34,604,220,000	\$2,782,179,288	4.000%	\$143,838,669	\$5,753,547	\$222,574,343	\$8,902,974
\$5,998,064,800	\$482,244,410	0.000%	\$24,932,036	\$0	\$38,579,553	\$0
\$51,675,635,200	\$4,154,721,070	5.600%	\$214,799,079	\$12,028,748	\$332,377,686	\$18,613,150
\$20,993,226,800	\$1,687,855,435	6.000%	\$87,262,126	\$5,235,728	\$135,028,435	\$8,101,706
\$274,526,812,000	\$22,071,955,685	7.250%	\$1,141,120,109	\$82,731,208	\$1,765,756,455	\$128,017,343
\$39,218,116,000	\$3,153,136,526	2.900%	\$163,017,158	\$4,727,498	\$252,250,922	\$7,315,277
\$28,836,850,000	\$2,318,482,740	6.000%	\$119,865,558	\$7,191,933	\$185,478,619	\$11,128,717
\$3,460,422,000	\$278,217,929	6.000%	\$14,383,867	\$863,032	\$22,257,434	\$1,335,446
\$8,535,707,600	\$686,270,891	0.000%	\$35,480,205	\$0	\$54,901,671	\$0
\$168,407,204,000	\$13,539,939,202	6.000%	\$700,014,857	\$42,000,891	\$1,083,195,136	\$64,991,708
\$69,439,134,800	\$5,582,906,438	4.000%	\$288,636,263	\$11,545,451	\$446,632,515	\$17,865,301
\$11,534,740,000	\$927,393,096	4.000%	\$47,946,223	\$1,917,849	\$74,191,448	\$2,967,658
\$11,765,434,800	\$945,940,958	6.000%	\$48,905,148	\$2,934,309	\$75,675,277	\$4,540,517
\$93,431,394,000	\$7,511,884,078	6.250%	\$388,364,407	\$24,272,775	\$600,950,726	\$37,559,420
\$45,908,265,200	\$3,691,024,522	7.000%	\$190,825,968	\$13,357,818	\$295,281,962	\$20,669,737
\$21,223,921,600	\$1,706,403,297	6.000%	\$88,221,050	\$5,293,263	\$136,512,264	\$8,190,736
\$18,224,889,200	\$1,465,281,092	5.300%	\$75,755,032	\$4,015,017	\$117,222,487	\$6,212,792
\$29,067,544,800	\$2,337,030,602	6.000%	\$120,824,482	\$7,249,469	\$186,962,448	\$11,217,747
\$30,682,408,400	\$2,466,865,635	4.000%	\$127,536,953	\$5,101,478	\$197,349,251	\$7,893,970
\$11,765,434,800	\$945,940,958	5.000%	\$48,905,148	\$2,445,257	\$75,675,277	\$3,783,764
\$45,908,265,200	\$3,691,024,522	6.000%	\$190,825,968	\$11,449,558	\$295,281,962	\$17,716,918
\$53,982,583,200	\$4,340,199,689	6.250%	\$224,388,324	\$14,024,270	\$347,215,975	\$21,700,998
\$71,515,388,000	\$5,749,837,195	6.000%	\$297,266,583	\$17,835,995	\$459,986,976	\$27,599,219
\$41,525,064,000	\$3,338,615,146	6.875%	\$172,606,403	\$11,866,690	\$267,089,212	\$18,362,383
\$20,531,837,200	\$1,650,759,711	7.000%	\$85,344,277	\$5,974,099	\$132,060,777	\$9,244,254
\$45,446,875,600	\$3,653,928,798	4.225%	\$188,908,119	\$7,981,368	\$292,314,304	\$12,350,279
\$8,305,012,800	\$667,723,029	0.000%	\$34,521,281	\$0	\$53,417,842	\$0
\$14,303,077,600	\$1,149,967,439	5.500%	\$59,453,317	\$3,269,932	\$91,997,395	\$5,059,857
\$26,299,207,200	\$2,114,456,259	6.850%	\$109,317,389	\$7,488,241	\$169,156,501	\$11,587,220
\$15,456,551,600	\$1,242,706,749	0.000%	\$64,247,939	\$0	\$99,416,540	\$0
\$71,976,777,600	\$5,786,932,919	7.000%	\$299,184,432	\$20,942,910	\$462,954,634	\$32,406,824
\$14,303,077,600	\$1,149,967,439	5.000%	\$59,453,317	\$2,972,666	\$91,997,395	\$4,599,870
\$136,802,016,400	\$10,998,882,119	4.000%	\$568,642,206	\$22,745,688	\$879,910,569	\$35,196,423
\$66,670,797,200	\$5,360,332,095	5.750%	\$277,129,169	\$15,934,927	\$428,826,568	\$24,657,528
\$5,767,370,000	\$463,696,548	5.000%	\$23,973,112	\$1,198,656	\$37,095,724	\$1,854,786
\$78,205,537,200	\$6,287,725,191	5.500%	\$325,075,392	\$17,879,147	\$503,018,015	\$27,665,991
\$23,069,480,000	\$1,854,786,192	4.500%	\$95,892,446	\$4,315,160	\$148,382,895	\$6,677,230
\$29,298,239,600	\$2,355,578,464	0.000%	\$121,783,407	\$0	\$188,446,277	\$0
\$93,892,783,600	\$7,548,979,801	6.000%	\$390,282,256	\$23,416,935	\$603,918,384	\$36,235,103
\$7,843,623,200	\$630,627,305	7.000%	\$32,603,432	\$2,282,240	\$50,450,184	\$3,531,513
\$31,374,492,800	\$2,522,509,221	6.000%	\$130,413,727	\$7,824,824	\$201,800,738	\$12,108,044
\$7,382,233,600	\$593,531,581	4.000%	\$30,685,583	\$1,227,423	\$47,482,527	\$1,899,301
\$48,445,908,000	\$3,895,051,003	7.000%	\$201,374,137	\$14,096,190	\$311,604,080	\$21,812,286
\$172,790,405,200	\$13,892,348,578	6.250%	\$718,234,421	\$44,889,651	\$1,111,387,886	\$69,461,743
\$19,378,363,200	\$1,558,020,401	4.650%	\$80,549,655	\$3,745,559	\$124,641,632	\$5,795,836
\$5,767,370,000	\$463,696,548	6.000%	\$23,973,112	\$1,438,387	\$37,095,724	\$2,225,743
\$60,672,732,400	\$4,878,087,685	4.000%	\$252,197,133	\$10,087,885	\$390,247,015	\$15,609,881
\$52,137,024,800	\$4,191,816,794	6.500%	\$216,716,928	\$14,086,600	\$335,345,344	\$21,797,447
\$12,457,519,200	\$1,001,584,544	6.000%	\$51,781,921	\$3,106,915	\$80,126,763	\$4,807,606
\$41,525,064,000	\$3,338,615,146	5.000%	\$172,606,403	\$8,630,320	\$267,089,212	\$13,354,461
\$4,844,590,800	\$389,505,100	4.000%	\$20,137,414	\$805,497	\$31,160,408	\$1,246,416
				\$540,183,006		\$835,873,123

<sup>(2)</sup> Source: Federation of Tax Administrators