Dear Valued Seller,

Following the U.S Supreme Court's decision in <u>South Dakota v. Wayfair</u>, the sales tax landscape continues to shift in jurisdictions across the country. A number of jurisdictions have established laws that require marketplaces like StubHub to begin collecting and remitting sales tax. As a result, StubHub will begin the process of calculating, collecting, and remitting sales tax from buyers for tickets purchased for events in relevant jurisdictions beginning on October 1, 2020.

What this means

Our goal is to make this process as simple and straightforward for you as possible. We will be able to calculate, collect, and remit sales tax by adding a few steps for StubHub sellers.

We'll begin the process of collecting and remitting sales tax in relevant jurisdictions beginning on October 1. Sales tax rates and exemptions (if applicable) are determined by the jurisdiction in which the event is taking place. StubHub will automatically calculate applicable sales tax based on these factors.

When a buyer purchases a ticket for an event in a jurisdiction where StubHub is collecting and remitting sales tax, the amount will be clearly displayed at checkout.

What this means for Sellers

If taxes were previously paid on tickets you are listing on StubHub, a credit for the tax already paid can be applied to your listings if you provide your previously paid price and indicate that sales tax was paid. Your previously paid price (PPP) is the amount you paid for the ticket, inclusive of taxes and fees. This credit will reduce the taxes paid by the buyer at checkout, increasing the likelihood your tickets sell. While recommended, providing previously paid price is not required to list your tickets on StubHub. If you did not pay sales tax on the previous purchase, you should leave that field blank or populate it with a "0" (zero). Here's an illustrative example of how including the previously paid price, inclusive of taxes and fees (PPP) can impact the total price buyers pay at checkout:

IMPORTANT COVERAGE LIMITATIONS: COVID-19		1 IMPORTANT COVERAGE LIMITATIONS: COVID-19	
Recommended, offered and sold by Allianz Global Assistance. Underwritten by Jefferson Insurance Company. Terms and exclusions (Incl. for pre-existing conditions) apply. Plan details and disclosures.		Recommended, offered and sold by Allianz Global Assistance. Underwritten by Jefferson Insurance Company. Terms and exclusions (incl. for pre-existing conditions) apply. Plan details and disclosures.	
ORDER TOTAL		ORDER TOTAL	
\$140.18 USD		\$134.09 USD	
licket price	\$100.00	Ticket price	\$100.00
uy fee	\$27.00	Buy fee	\$27.00
og Fee	\$2.50	Log Fee	\$2.50
ales Tax	\$10.68	Sales Tax	\$4.59
Fees help us bring you a safe, global marketplace where you can get tickets to your avorite events.		Fees help us bring you a safe, global marketplace where you can get tickets to your favorite events.	
affírm) Pay as low as \$111/month. Learn more		Pay as low as \$111/month. Learn more	
Switch to Affirm		Prices are set by resellers and may be higher or lower than face value.	
Prices are set by resellers and may be higher or lower than face value. Buy now		Buy nov	v
♥ FanProtect		FanProtect*	
We back every order so you can buy & sell tickets with 100%		We back every order so you can buy & sell tickets with 100% confidence.	

The total cost at checkout without Previously Paid Price (PPP) The total cost at checkout with Previously Paid Price (PPP) of \$80 added, inclusive of taxes and fees.

For POS users, you will need to export your 'COST' field from the POS along with the rest of your inventory export in order to send StubHub the previously paid price for tickets on which you paid sales tax. You will also need to indicate in your POS whether or not you paid tax on that total cost.

We understand that not all POS systems currently have a way to export your cost field or indicate whether or not taxes were paid. When that functionality becomes available, it may result in a lower checkout price for prospective buyers of your tickets.

If you list manually, we encourage you to enter the previously paid price for each active listing you have on StubHub before October 1. You can do this through the StubHub sell flow or when you edit a listing in your Account.

Collecting information on the previously paid price will help avoid duplicative taxation, since we'll calculate the tax that a buyer owes based on the difference between the previously paid price and your list price. You should only include a previously paid price for the listing if you paid taxes on the purchase of the ticket. If you did not pay tax on your original purchase, there is no need to update your active listings.

Moving forward, we encourage you to include information on the previous purchase price if sales taxes were paid for all new listings.

It's important to accurately represent the previous amount paid for each listed ticket As a reminder, it is your responsibility under our Seller Policies to provide full and accurate information about your tickets. This includes providing accurate information regarding the previous amount that you paid for the ticket in cases where you paid sales tax.

What if I don't know if I paid taxes previously?

If you purchased your ticket directly from a venue or primary ticketing company to a non-exempt event, and you did not utilize a valid resale certificate in that purchase, then you likely paid sales tax. You should include the total price, inclusive of fees and taxes, that you paid for those tickets in the previous purchase price or relevant POS field. If you don't know if you paid taxes previously, it's best to leave the previous purchase price field blank or enter "0" (zero).

Still have questions?

We realize that you may have additional questions as this process unfolds. We'll continuously update our <u>FAQs on this topic</u> on our help center. If you can't find the answers you need on that page, you can reach out to our Customer Support team. Our goal is to make this transition as seamless as possible and we appreciate your partnership in this effort.

Thanks for you continued partnership, The StubHub Seller Team