

SOLUTIONS BEYOND THE OBVIOUS

State & Local Tax Services

New Sales Tax Changes

It has been over two years now since the U.S Supreme Court issued its landmark decision in the *South Dakota v. Wayfair Inc.* case and every state that imposes sales & use tax has enacted economic nexus thresholds for “remote sellers” with the exceptions of Florida and Missouri. A remote seller is any seller (foreign or domestic) that does not have physical presence in a state but who sells products or services for delivery to customers into that state.

Remote sellers whose sales exceed dollar or transaction thresholds in applicable states should evaluate their sales & use tax filing requirements and consider registering to collect and remit sales tax to avoid potential liabilities. Remote sellers who may have exposure related to prior sales or have received notices or nexus questionnaires from state taxing authorities should contact an experienced state tax advisor to discuss their compliance options, as states have different rules related to the imposition of economic nexus, the taxability of products and services and filing requirements.

Another development impacting remote sellers, particularly those who sell via online sales platforms like Amazon, eBay or Etsy, has been the rise of marketplace facilitator laws. Every state, except Florida, Kansas and Missouri, has imposed sales tax collection and remittance requirements on online sales platforms that meet certain qualifications, making these platforms responsible for actually collecting and remitting tax on sales they facilitate for third-party marketplace sellers. Understanding these laws is essential for remote sellers who sell online, as their filing requirements may be significantly different if their sales are exclusively made through marketplace facilitators who are required to collect and remit tax on sales they facilitate.

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State	Economic Nexus Threshold	Effective Date
Alabama	Sales over \$250,000	10/1/18
Arizona	Sales over \$200,000 (2019)	10/1/19
	Sales over \$150,000 (2020)	10/1/19
	Sales over \$100,000 (2021 forward)	10/1/19
Arkansas	Sales over \$100,00 or 200 sales	7/1/19
California	Sales over \$500,000	4/1/19
Colorado	Sales over \$100,000 or 200 sales (grace period thru 5/19)	12/1/18
	Sales over \$100,000	4/1/19
Connecticut	Sales over \$250,000 and 200 sales	12/1/18
	Sales over \$100,000 and 200 sales	7/1/19
District of Columbia	Sales over \$100,000 or 200 sales	1/1/19
Georgia	Sales over \$250,000 or 200 sales	1/1/19
	Sales over \$100,000 or 200 sales	1/1/20
Hawaii	Sales over \$100,000 or 200 sales	7/1/18
Idaho	Sales over \$100,000	6/1/19
Illinois	Sales over \$100,000 or 200 sales	10/1/18
Indiana	Sales over \$100,000 or 200 sales	10/1/18
Iowa	Sales over \$100,000 or 200 sales	1/1/19
	Sales over \$100,000	7/1/19
Kansas	No small seller exceptions	10/1/19
Kentucky	Sales over \$100,000 or 200 sales	10/1/18
Louisiana	Sales over \$100,000 or 200 sales	7/1/20
Maine	Sales over \$100,000 or 200 sales	7/1/18
Maryland	Sales over \$100,000 or 200 sales	10/1/18
Massachusetts	Sales over \$100,000	10/1/19
Michigan	Sales over \$100,000 or 200 sales	10/1/18
Minnesota	10 or more sales over \$100,000 or over 100 retail sales	10/1/18
	Sales over \$100,000 or 200 sales	10/1/19
Mississippi	Sales over \$250,000	9/1/18
Nebraska	Sales over \$100,000 or 200 sales	4/1/19
Nevada	Sales over \$100,000 or 200 sales	10/1/18

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New Sales Tax Changes (Cont'd.)

State	Economic Nexus Threshold	Effective Date
New Jersey	Sales over \$100,000 or 200 sales	11/1/18
New Mexico	At least \$100,000 of taxable gross receipts	7/1/19
New York	Sales over \$500,000 and 100 sales	6/21/18
North Carolina	Sales over \$100,000 or 200 sales	11/1/18
North Dakota	Sales over \$100,000 or 200 sales	10/1/18
	Sales over \$100,000	1/1/19
Ohio	Sales over \$100,000 or 200 sales	8/1/19
Oklahoma	Sales over \$10,000*	10/1/18
	Sales over \$100,000	11/1/19
Pennsylvania	Taxable Sales over \$10,000*	3/1/18
	Sales over \$100,000	7/1/19
Rhode Island	Sales over \$100,000 or 200 sales*	8/17/17
		7/1/19
South Carolina	Sales over \$100,000	11/1/18
South Dakota	Sales over \$100,000 or 200 sales	11/1/18
Tennessee	Sales over \$500,000	10/1/19
	Sales over \$100,000	10/1/20
Texas	Sales over \$500,000	10/1/19
Utah	Sales over \$100,000 or 200 sales	1/1/19
Vermont	Sales over \$100,000 or 200 sales	7/1/18
Virginia	Sales over \$100,000 or 200 sales	7/1/19
Washington	Sales over \$10,000* (eliminated eff. 7/1/19)	1/1/18
	Sales over \$100,000 or 200 sales	10/1/18
	Sales over \$100,000	3/15/19
West Virginia	Sales over \$100,000 or 200 sales	1/1/19
Wisconsin	Sales over \$100,000 or 200 sales	10/1/18
Wyoming	Sales over \$100,000 or 200 sales	2/1/19

* Previously enacted notice and reporting requirements may apply.

10/20

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