



## WHAT BUSINESS ACTIVITIES TRIGGER REMOTE SELLER NEXUS?

Physical presence nexus is a trigger for sales tax collections but in the wake of Wayfair, taxpayers need to layer in economic nexus based on sales dollars and/or transaction counts in jurisdictions. All states that impose a sales tax have Wayfair thresholds. With over 13,000 tax jurisdictions in the nation, there is great potential for triggering nexus if you sell to customers outside your home state or country.

## WHEN DO I NEED TO REGISTER FOR A SALES TAX LICENSE?

There are three key dates to know when assessing registration in the wake of Wayfair -- when states enacted their economic standards, when those standards affect your business, and when the state began enforcing the provisions. Complying requires you to gather information for filing the right forms, including revenue by customer and date as well as the number of sales transactions to remote states. Recognize that if you are using third parties like FBA Amazon or other drop shippers/manufacturers, their nexus footprint could affect your nexus and sales tax obligations.

## IF I REGISTER FOR A SALES TAX LICENSE, WHAT DO I DO FOR INCOME TAX?

Income tax obligations vary from state to state. Registering for a sales tax license may increase your visibility to tax authorities, who may then cross-search for missing tax obligations in other areas, primarily income tax. Tax authorities share their databases for enforcement purposes so hiding is not an option. TaxOps handles all areas of state and local tax and can assist with managing tax filing methodologies for all states in addition to sales tax. In particular, Nevada, Ohio, Oregon, Texas and Washington have non-income-based taxes that could apply if you register for sales taxes. In addition, states like California might require a minimum fee for income taxes if you have a sales tax license.

## MY BUSINESS IS NON-COMPLIANT. WHAT ARE MY OPTIONS?

Avoiding state and local tax obligations is not cheaper than compliance and creates risks that can be hard to pinpoint. Getting started can be daunting. When developing your strategy, focus first on larger revenue states for your company. A nexus, exposure, and taxability review is an excellent first step. That way you can look at the entire country and slice and dice your revenue and resulting tax liability. Work with your tax provider to look into available amnesty and Voluntary Disclosure Agreement programs in the states where you need to register. Dedicate staff to manage compliance issues while creating a "culture" of compliance across the enterprise.

## WHERE CAN YOU GET HELP WITH ALL YOUR STATE AND LOCAL TAX QUESTIONS?

TaxOps helps businesses comply with their tax obligations everywhere business takes them. Contact a TaxOps advisor at TaxOps.com. We look forward to working with you.

Reach out to the SALTovation Team at TaxOps at TaxOps.com.

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- Sales Tax Registration
- Sales & Use Taxability Analysis
- P.L. 86-272
- Amnesty & Voluntary Disclosure Agreements
- Throwback Analysis
- Due Diligence
- Apportionment Sourcing
- Sales Tax Audit & Controversy
- Income Tax
- Filing Analysis