

Effective 10/1/18: Sales and Use Tax Collection Changes for Additional States

September 13, 2018



Since the U.S. Supreme Court's recent ruling in *South Dakota v Wayfair Inc.*, additional states have released guidance on the treatment of sales and use tax, effective 10/1/18.

The following states will require vendors to register, collect and remit sales tax, if the requirements are met:

Alabama - retailers with more than \$250,000 in retail sales sold into Alabama in the previous calendar year

Connecticut - vendors with 200 or more retail sales and gross receipts of at least \$250,000 (prior to December 1, 2018, 100 or more retail sales) in the state during the 12-month period ended on September 30 immediately preceding the monthly or quarterly period with respect to which the seller's tax liability

Illinois - if the seller's gross revenue from sales into the state in the previous calendar year or current calendar year exceeds \$100,000; or if the seller made at least 200 separate transactions into the state in the preceding 12-month period

Indiana - if the seller's gross revenue from sales into the state in the previous calendar year or current calendar year exceeds \$100,000; or if the seller made at least 200 separate transactions into the state in the previous calendar year or the current calendar year

Kentucky - sellers with sales exceeding \$100,000 or more than 200 transactions in the previous calendar year

Michigan - sellers with sales exceeding \$100,000 or more than 200 transactions in the previous calendar year

Minnesota - sellers with 10 or more sales shipped to Minnesota that total \$100,000 or more; or 100 or more sales shipped to Minnesota

Mississippi - if sellers' sales into the state exceed \$250,000 in the prior 12 months

North Carolina - effective November 1, 2018 or 60 days after a remote seller meets the threshold (whichever is later), the North Carolina Department requires all remote sellers having gross sales in excess of \$100,000 sourced to North Carolina or 200 or more separate transactions sourced to North Carolina in the previous or current calendar year

North Dakota - retailers with more than \$100,000 in sales or 200 separate transactions

New Jersey - sellers with sales exceeding \$100,000; or more than 200 transactions in the current or previous calendar year

Washington - sellers with sales exceeding \$100,000; or more than 200 transactions in the previous calendar year

Wisconsin - sellers with sales over \$100,000 or those engaged in over 200 separate transactions

Previously, the following states had enacted similar laws in which retail sellers are required to register, collect and remit sales tax, if the following requirements are met:

Hawaii – retailers with \$100,000 or more or if the sales occurred in 200 or more separate transactions

Louisiana – if during the previous or current calendar year either the seller's gross revenue for those sales delivered to Louisiana exceeded \$100,000 or the seller engaged in 200 or more separate transactions

Maine – if the seller's gross revenue from the sales in the previous calendar year or current calendar year exceeds \$100,000; or the seller made at least 200 separate transactions in the previous calendar year or the current calendar year

Rhode Island – sellers in the preceding calendar year had: \$100,000 in gross revenue from the sale of taxable goods/services delivered in Rhode Island; or 200 or more transactions of taxable goods/services delivered in Rhode Island

Vermont – remote seller sales and use tax law requires remote sellers to register and collect sales tax in Vermont if they completed 200 individual sales or made sales of at least \$100,000 to Vermont destinations within any preceding 12-month period

As states continue to adapt to the new ruling, more law changes and related guidance will be released. Please contact Clarence Kehoe, Leader of Anchin's Tax Department, or Sharon Ackerman, Tax Director in Anchin's Tax Controversy Services Group, at 212.840.3456 or info@anchin.com.