

Anchin Alert

Anchin, Block & Anchin LLP
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Congress Introduces New Sales Tax Legislation

Congressmen on both sides of the aisle recently introduced legislation to address the Supreme Court's decision regarding sales tax and physical presence nexus in South Dakota versus Wayfair. The Wayfair decision allows states to require businesses to register and collect sales tax even though no physical presence in the state.

States have responded to the decision by passing laws modeled on the South Dakota legislation (i.e. - Minimum threshold \$100,000+ in sales in the states or 200+ transactions). The bipartisan legislation called "The Online Sales Simplicity and Small Business Relief Act of 2018" addresses this change in law by preventing states from taxing any sales retroactively from the date of the Wayfair decision (June 21, 2018). Also included in the legislation are provisions that would provide for orderly phased in compliance (no obligations prior to January 1, 2019) and a small business exception (\$10 million dollars of gross annual receipts).

It is important to maintain an understanding of how potential law changes may impact business operations. For more information or to discuss the possible impacts in greater detail, 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.



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