



You May Be Required to Collect Sales Tax in States Where You Have No Physical Presence – But Help is Available!

Indiana Department of Revenue

Did you know that you may be required to collect and remit the sales and use taxes for any state to which you ship your product - even if you have no physical presence in those states?

On June 21, 2018, the U.S. Supreme Court (SCOTUS) issued the [South Dakota v. Wayfair Inc. et. al. \("Wayfair"\)](#) decision. The effect of this decision is that **a state may require a seller without a physical presence in their state to collect and remit its sales and use taxes** on sales of products delivered into their state if: (i) the seller meets certain thresholds of activity (i.e., minimum number of transactions or certain dollar volume of sales) in their state; and (ii) the state's laws prevent discrimination against or undue burdens upon interstate commerce. See the following [chart](#) for information on each state's requirements (i.e., economic nexus thresholds).

Although having to calculate, collect and remit taxes and file the required returns may sound overwhelming, the 24 states that are members of the [Streamlined Sales Tax Governing Board \(Streamlined\)](#) have been working with the business community for over 20 years to make their sales and use tax systems simpler, more uniform and more efficient for sellers (and states) to administer.

To assist you in complying with the registration, collection, and remittance requirements, the 24 Streamlined member states have:

- Developed the [Streamlined Sales Tax Registration System \(SSTRS\)](#) that allows you to register with any or all of the 24 Streamlined states, by completing one simple online application at no cost to you for any of the Streamlined states. Once you are registered in a state, you are expected to collect and remit the appropriate sales or use taxes for that state and file the required returns.
- Entered into contracts with [certified service providers \(CSPs\)](#) and agreed to compensate the CSPs for handling your sales and use tax calculation, reporting and remittance requirements in the Streamlined member states in which you are a "volunteer seller." A "volunteer seller" generally includes any seller that does not have a physical presence or employees in a state - even if the seller exceeds the state's economic nexus thresholds. Under these contracts, the CSPs will provide the software and services necessary to (i) set-up and integrate their tax calculation software with your system, (ii) calculate the amount of tax due on a transaction at the time of the sale, (iii) generate and file the required sales and use tax returns for each of these states, (iv) make the required remittances to each of the states, (v) respond to notices and audits and (vi) protect the privacy of your information. **Depending on your specific circumstances, these sales and use tax calculation and reporting services may be provided to you at no cost in some or all of the Streamlined member states.** Click [here](#) to find out if you qualify for these free services.
- Completed a [taxability matrix](#) that helps you determine the taxability of various categories of products in their state.
- Developed [rate and jurisdiction databases](#) that identify the state and local tax rates that

apply in their state based on the street address, 9-digit zip code and/or 5-digit zip code.

- Adopted a [uniform Sales and Use Tax Exemption Certificate](#) that can be used to claim applicable exemptions from sales tax in the Streamlined states.

If you have questions regarding the tools available through Streamlined, please contact the [Streamlined Sales Tax Governing Board](#). If you have questions regarding a particular state's requirements, please contact that [state](#) directly.