



State and Local Tax Services

Major Sales Tax Change

The Supreme Court's Wayfair decision has created a new era of sales and use tax collection responsibilities. The rules have changed on when businesses should collect sales taxes. Our team can help you understand the state sales tax implications of retail sales of tangible property and strategically address state sales tax compliance matters.

What is the Impact of Wayfair?

The Wayfair decision allows states to require out-of-state retailers to collect sales tax from customers even if they don't have a physical store, warehouse, or employees in the state. This clears the way for more sales tax revenue. The Wayfair decision means that states are now free to subject businesses to state taxes based on "economic" presence within their state. That means that sellers who deliver their products to customers from a remote location will have to start complying with state and local sales tax rules.

What is Nexus?

Nexus can simply be defined as a certain minimum connection or presence which must exist before a state can impose a tax on an out-of-state business unless certain requirements are met. Companies may not even realize they have incurred liabilities, which can lead to penalties and interest payments.

Our Three Stage Solution:

Identification of Obligations: Most states have enacted economic presence nexus statutes for sales and use tax purposes. These states have enacted thresholds in terms of both dollar sales and number of transactions. We can analyze and apply the particular states' nexus principles to determine where a business has potential sales tax collection, remittance and filing responsibilities.

Determination of Product Taxability: Are the products you sell subject to sales and use taxes in states where you have nexus? We can assist you in defining your products and determining their taxability in the specific states in which you have nexus.

Measurement and Mitigation: In states where you have nexus issues for prior years, we can quantify sales and use tax exposure using sales by state and product. Tax exposure can be mitigated by means of obtaining exemption certificates or pursuing Voluntary Disclosure Agreements and Amnesty Programs if available.



The Next Step

Take the first step and call us today at 716.204.9000 to see what our firm can do for you.