



Grant Thornton

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US economic nexus matrix

as of 4/2/2019 | For discussion purposes only

State	Sales threshold requiring registration (applicable to in-state markets)	Taxable or gross sales	Effective date (transactions subject to collection and remittance)	Effective date authority	Marketplace provision
Alabama	(1) Annual sales > \$250,000; and (2) Certain activities performed within state	Gross: Retail sales of TPP sold into AL	10/1/2018	Proposed amendment to Ala. Admin. Code; current guidance from Dep't Press Release	Yes - effective 1/1/2019 (may elect to collect or report)
California (legislation possible, but administrative guidance released)	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions; Gross revenue > \$500,000 (in proposed legislation)	Gross: Sales of TPP sold into CA	4/1/2019	Special Notice	Possibly (in proposed legislation)
Colorado ²	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of TPP and services into CO	12/1/2018 (with grace period through 5/31/2019)	Emergency Regulation	
Connecticut	(1) Gross revenue > \$250,000; and (2) 200 or more separate retail sales	Gross: Retail sales of TPP in CT; Retailer includes marketplace facilitator	12/1/2018	Statute	Yes - effective 12/1/2018
District of Columbia	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of TPP, any product transferred electronically, or services for delivery into D.C.	1/1/2019	Statute (subject to Congressional approval process)	Yes - effective 4/1/2019
Georgia*	(1) Gross revenue > \$250,000; or (2) 200 or more separate retail sales	Gross: Retail sales of TPP for electronic or physical delivery in GA	1/1/2019	Statute	
Hawaii	(1) Gross income or gross proceeds > \$100,000; or (2) 200 or more separate transactions	Gross: Gross income from sales of TPP, services used or consumed, or intangible property used in HI	7/1/2018	DOR Announcement	
Illinois	(1) Gross receipts > \$100,000; or (2) 200 or more separate transactions	Gross: Retail sales of TPP in IL	10/1/2018	Emergency Regulation; Statute	

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Indiana	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions	Gross: Gross revenue from sales of TPP, electronically delivered products, or services in IN	10/1/2018	Indiana court action resolved, DOR Notice	
Iowa	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Retail sales of TPP, services, or specified digital products sold in IA	1/1/2019	Statute, DOR Notice	Yes - effective 1/1/2019
Kentucky	(1) Gross receipts > \$100,000; or (2) 200 or more separate transactions	Gross: Gross receipts from KY sales	10/1/2018	DOR Notice	
Louisiana	(1) Gross revenue from sales > \$100,000; or (2) 200 or more separate transactions	Gross: Gross revenue from sales of TPP, products transferred electronically, or services in LA	1/1/2019	Statute effective date; Confirmed by Informational Bulletin issued by Department	Commission is considering separate definition during the 2019 regular legislative session.
Maine	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions	Gross/Taxable: Gross revenue from delivery of TPP, products transferred electronically or services that are taxable by ME	7/1/2018	Statute, ME Revenue Services Guidance	
Maryland*	(1) Gross revenue from sales > \$100,000; or (2) 200 or more separate transactions	Gross/Taxable: Sales or delivery of TPP or a taxable service for use in MD	10/1/2018	Regulation; Amendment to Regulation	
Massachusetts ¹	(1) Annual sales > \$500,000; and (2) 100 or more transactions	Gross: Sales over the internet to MA customers	10/1/2017	Statute, DOR Notice	Yes - effective 9/22/2017
Michigan	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales into MI	10/1/2018	Revenue Administrative Bulletin	
Minnesota**	(1) 10 or more retail sales totaling \$100,000; or (2) 100 or more retail sales	Gross: Sales of goods or services into MN	10/1/2018	DOR Press Release, DOR FAQ	Yes - effective 10/1/2018
Mississippi	Annual sales > \$250,000	Gross: Gross sales into the state of MS, including those sales: (1) at wholesale; (2) taxable under the state's sales and use tax statutes; and (3) subject to any statutory exemption	9/1/2018	Statute, DOR Guidance	
Missouri (proposed)	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of TPP or products delivered electronically into MO	10/1/2019	Legislative Bill	Proposed - January 1, 2020

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Nebraska (legislation possible, but administrative guidance released)	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales made to customers in NE	1/1/2019	DOR Statement, DOR FAQ	
Nevada	(1) Gross revenue of retail sales > \$100,000; or (2) 200 or more separate sales	Gross: Sales of TPP in NV	10/1/2018	Regulation	
New Jersey ⁶	(1) Gross revenue > \$100,000; or (2) 200 or more separate transactions	Gross: Gross revenue from delivery of TPP, a specified digital product, or taxable services into the state	11/1/2018	Statute	Yes - effective 11/1/2018
New York ⁸	(1) Annual Sales > \$300,000; and (2) 100 or more separate transactions	Gross: Sales of TPP in NY	1/15/2019 (effective immediately, per date of notice and prior statute)	DOR Guidance	Proposed budget legislation
North Carolina	(1) Gross sales > \$100,000; or (2) 200 or more separate transactions	Gross: Gross sales into the state of NC	11/1/2018	DOR Directive	
North Dakota	(1) Annual taxable sales shipped to ND ≥ \$100,000; or (2) Taxable sales shipped to ND ≥ 200 separate transactions	Taxable: Gross sales of TPP and other taxable items delivered in ND	10/1/2018	DOR Publication	
Ohio	Annual sales > \$500,000	Gross: Sales of TPP for storage, use or consumption in OH or from providing services the benefit of which is realized in OH	1/1/2018	Ohio Information Release	
Oklahoma*	Aggregate sales > \$10,000	Gross: Sales of TPP within OK or delivered to locations within OK; Marketplace facilitators and referrers must also register, collect, and remit, or comply with notice requirements	7/1/2018	Statute	Yes - effective 7/1/2018 (may elect to collect or report)
Pennsylvania* ⁷	Annual taxable sales > \$100,000	Taxable: Gross taxable sales delivered into PA.	7/1/2019	Statute; Notice	Yes - effective 7/1/19: A marketplace facilitator with no physical presence in Pennsylvania should use both facilitated and direct sales to determine whether it has exceeded the economic nexus threshold. A marketplace seller with no physical presence in Pennsylvania should use only its direct sales and those sales made through a marketplace facilitator that does not collect sales tax on its behalf, to determine whether it has exceeded the economic nexus threshold.

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Rhode Island*	(1) Gross revenue or taxable services > \$100,000; or (2) 200 or more separate transactions	Gross/Taxable: Gross revenue from the sale of TPP, prewritten computer software delivered electronically or by load and leave, and/or taxable services delivered into RI	8/17/2017	Statute, DOR Notice	Yes - effective 8/17/17
South Carolina	Gross sales > \$100,000	Gross: Gross revenue from all sales of TPP delivered into SC including all taxable retail sales, exempt retail sales, and wholesale sales of TPP; and total gross revenue from all sales of products transferred electronically or services delivered into SC, whether or not the transfer of such product or sale of service is subject to SC sales and use tax	11/1/2018	Revenue Ruling	Yes - effective 11/1/2018
South Dakota ⁵	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Gross revenue from the sale of TPP, any product transferred electronically, or services delivered into SD; Marketplace providers required to register, collect, and remit sales tax on behalf of sellers using their services	11/1/2018 (remote seller)	Legislation (applicable to all except for Wayfair litigants, who must comply beginning January 1, 2019)	Yes - effective 3/1/2019
Tennessee	Annual sales > \$500,000	Gross/Taxable: Sales to consumers in TN; dealers must report and pay the appropriate tax on sales of TPP and other taxable items delivered to consumers in TN	Enjoined	Pending Tennessee court action	
Texas	Annual sales > \$500,000	Gross: Total TX revenue, including taxable, nontaxable, and tax-exempt sales	Effective 1/1/2019 with enforcement beginning 10/1/2019	Regulation	
Utah	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of TPP, products transferred electronically, or services for storage, use, or consumption in the state	1/1/2019	Statute	
Vermont	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of TPP in VT	7/1/2018	DOR Notice	
Virginia (proposed)	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales of goods and services into the state of VA	7/1/2019	Legislative Bill	Yes - effective 7/1/2019
Washington* ³	THRESHOLD ONE (sales tax): (1) Annual sales > \$100,000; or (2) 200 or more separate transactions THRESHOLD TWO (sales tax OR notice/reporting): \$10,000 gross annual retail sales	Gross: Retail sales to WA purchasers by remote sellers and marketplace facilitators	10/1/2018	Department Guidance	Yes - effective 10/1/2018 (may elect to collect or report)

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West Virginia	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Taxable: All taxable sales into the state of WV (inclusive of services)	1/1/2019	DOR Guidance	
Wisconsin	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Sales into WI	10/1/2018	Statute	Yes - to be determined
Wyoming ⁶	(1) Annual sales > \$100,000; or (2) 200 or more separate transactions	Gross: Revenue from taxable, exempt, and wholesale sales	2/1/2019	DOR Notice	

*These states provide remote retailers the option to either (1) collect and remit sales tax to the state or (2) comply with notice and reporting requirements. The notice and reporting requirements generally require the retailer to: (i) notify purchasers that use tax may be due to the state; (ii) submit an annual report of sales to purchasers; and (iii) submit an annual report to the state tax authority.

**Sales tax collection requirement for the marketplace provider. State is currently considering economic nexus.

The following states do not impose state-level sales tax: Alaska, Delaware, Montana, New Hampshire, and Oregon.

¹ The MA Department of Revenue has issued guidance on Wayfair clarifying that Mass. Regs. Code tit. 830, § 64H.1.7 (Vendors Making Internet Sales), which took effect in Oct. 2017 continues to apply and is not impacted by the Supreme Court's decision. Release, Massachusetts Department of Revenue, June 22, 2018.

² The Colorado Department of Revenue began enforcing notice and reporting requirements July 1, 2017.

³ Based on timing, until 10/1/18, if a seller makes sales of up to \$10,000, the seller has the option of collecting and remitting sales tax, or complying with the disclosure and reporting requirements. Effective 10/1/18, if sales to WA exceed \$10,000 but less than \$100,000, the seller still has the choice of collecting and remitting or complying with the disclosure and reporting requirements. However, as of 10/1/18, if sales exceed \$100K or 200+ transactions then the seller **must** collect and remit with no alternative disclosure and reporting option.

⁴ On August 29, 2018, the Maryland General Assembly approved the Comptroller of Maryland's "emergency regulation" requiring vendors with more than \$100,000 in sales or 200 or more separate transactions into Maryland to register and collect sales tax beginning on October 1, 2018. The emergency regulation will expire on March 30, 2019, at which point it must go through the normal rulemaking process, which will include a period for public comment.

⁵ S.B. 1 (remote seller) and S.B. 2 (marketplace provider) were submitted to South Dakota Senate on August 30, 2018. The Bills were considered and passed during a special legislative session on September 12, 2018.

⁶ Thresholds are applicable to remote sellers. Bill also applies to Marketplace Facilitators.

⁷ The Philadelphia Department of Revenue issued a draft regulation on November 20, 2018 that would establish a \$100,000 threshold effective January 1, 2019 for the BIRT taxes (gross receipts and income tax); prior to the issuance of Pennsylvania Sales Tax Bulletin No. 2019-01, 01/08/2019, PA had in place a provision for annual sales of \$10,000 or more.

⁸ Since 1989, New York law has contained sales and use tax economic nexus provisions that remained dormant as long as the physical presence standard established in Quill Corp. v. North Dakota remained the law of the land. The statute provides that an out-of-state seller meets the state's definition of a "vendor" with a sales and use tax collection obligation if it regularly or systematically solicits business in New York by catalogs, flyers, or by "any other means of solicitation." Tax Law §§ 1101(b)(8)(i)(E), 1101(b)(8)(iv).

CAVEAT: The information contained in this document is current as of February 4, 2019, and is presented based on authorities that are subject to change both retroactively and prospectively. This information is intended to be used as a reference when determining state enactments of economic nexus guidelines affecting sales and use taxes as a result of the U.S. Supreme Court's June 21, 2018 decision in South Dakota v. Wayfair. This tool should not be considered to be an all-inclusive source for every enactment occurring in a state. Users of this document should take into account their own specific facts and circumstances when determining what enactments may be applicable to them. Note that states are regularly issuing specific and revised guidance that may alter the initial conclusions contained in this document. We provide no legal advice nor express any opinion on non-tax matters. No assurance can be given that future developments or changes in applicable tax law authorities or their interpretation, either on a prospective or retroactive basis, will not adversely affect the accuracy of our conclusions. We assume no obligation to advise you of any new developments or changes in any tax law authorities or their interpretation, or any other published guidance. Contact your local GT SALT professionals with questions.