



# Economic nexus reporting

This chart provides a general overview of each state's economic nexus position with respect to sales, income, franchise and gross receipts taxes. It is not intended to address all potential nexus-creating activities or specific taxpayer situations, such as the potential impact of Public Law 86-272. This information is also limited to states' economic nexus positions affecting taxpayers in all industries, and does not account for positions that affect only one industry type (such as financial institutions). Because nexus determinations are highly fact-dependent, you should work with your Wipfli tax professional to ensure this information is appropriately applied to your specific situation. The information contained in this chart is not a substitute for professional consultation. In addition, the law is subject to change and you should verify whether it is current.

Perspective changes everything.

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## Economic nexus reporting requirements – sales tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Timing of registration	Additional details
Alabama	October 1, 2018	Prospective	Exceeds \$250,000	No transactions	Previous calendar year	<p>\$250,000, which includes retail sales but <b>excludes</b> wholesale sales.</p> <p>Sales generated through a marketplace are <b>excluded</b> from the threshold for individual sellers.</p>	January 1 following the year the threshold is exceeded	Marketplace providers are required to collect sales tax effective January 1, 2019. Always confirm collection responsibility with the provider. Under <a href="#">Alabama's Simplified Sellers Use Tax (SSUT)</a> election, eligible remote sellers may elect to collect, report and remit a flat 8% sellers use tax on all sales made in Alabama, rather than using the combined state and local rate applicable in each specific taxing jurisdiction. On July 26, 2021, Alabama published this notice: <a href="#">Alabama Simplified Sellers Use Tax and Marketplace Facilitators Guidance</a> . According to this notice, all qualified marketplace facilitators are required to apply for a SSUT account, no later than October 1, 2021.
Alaska (various municipalities)	Varies by jurisdiction (beginning April 1, 2020)	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	<p>All sales thresholds include exempt and taxable sales.</p> <p>Sales generated through a marketplace are <b>included</b> from the threshold for individual sellers.</p>	Within 30 days of exceeding the threshold	<p>Alaska does not have a state-level sales tax but does have many local taxing jurisdictions. On January 6, 2020, the <a href="#">Alaska Remote Seller Sales Tax Commission</a> passed its Uniform Code, which creates a framework for administering Alaska local sales taxes for both remote sellers and marketplace facilitators. The commission has provided software that's used as a single access point for filing returns and remitting taxes: <a href="#">arsstc.munirevs.com</a>.</p> <p>As of January 31, 2024, 57 out of Alaska's 106 local taxing jurisdictions have adopted the Uniform Code, allowing remote sellers and marketplace providers to remit their local sales taxes through the central access point. <a href="#">Learn more</a>.</p>
Arizona	October 1, 2019	Prospective	Tiered implementation: In 2019, exceeds \$200,000 In 2020, exceeds \$150,000 In 2021, exceeds \$100,000	No transactions	Current or previous calendar year	<p>All sales thresholds include exempt and taxable sales. Sales generated through a marketplace are <b>excluded</b> from the threshold for individual sellers.</p>	The seller must obtain a TPT license once the threshold is met and begin remitting the tax on the first day of the month that starts at least thirty days after the threshold is met for the remaining of the	Remote sellers required to pay transactional privilege tax on sales in a tiered implementation over three years. For marketplace providers, sales threshold is \$100,000 (not tiered). Both remote sellers and marketplace facilitators eligible for some liability relief through 2021, if sellers make a tax error.

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Arkansas	July 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	<p><b>Taxable sales.</b></p> <p>Sales generated through a marketplace are <b>excluded</b> from the threshold for individual sellers.</p>	Next transaction after meeting the threshold	Marketplace providers must collect sales tax as of July 1, 2019. Always confirm collection responsibility with provider. Per Arkansas Department of Finance and Administration Opinion No. 20190501, the threshold to collect and remit tax is based on taxable sales, but the remote seller should retain suitable records to support exempt sales.
California	April 1, 2019 (state-level taxes) April 25, 2019 (district-use taxes)	Retroactive to April 1, 2019	Exceeds \$500,000	Requirement eliminated	Current or previous calendar year	<p><b>Gross sales of tangible personal property</b></p>	The day you exceed the threshold	<p>The governor signed the bill on April 25, 2019. The new law applies to marketplace providers as well. <a href="#">As of April 25, 2019</a>, remote sellers were required to collect district use tax if during the period from January 1, 2019, through April 24, 2019, their total combined sales of tangible personal property for delivery in California (not just in the district) exceeded \$500,000.</p> <p>On September 30, 2021, California enacted <a href="#">AB 1402</a>, which revised the state's marketplace facilitator law by requiring marketplace facilitators with nexus in the state to collect not only the state's sales/ use tax, but also its tire fee, covered electronic waste recycling fee, lead-acid battery fee and lumber products assessment fee (effective January 1, 2022).</p>
Colorado June 1, 2019 and forward	June 1, 2019	Prospective	\$100,000	No: Transaction requirement eliminated as of April 1, 2019.	Current or previous calendar year	<p>Retail sales of tangible personal property, commodities and/or services.</p> <p>Sales generated through a marketplace are <b>excluded</b> from the threshold for individual sellers.</p>	The first day of the month after the retailer made retail sales in the current calendar year that exceed \$100,000	<p>Effective June 1, 2019, remote sellers meeting the \$100,000 threshold are required to collect both the 2.9% state tax and any state-collected (statutory) local sales tax (does not apply to most self-collected, or home rule, local sales taxes). Sellers with a physical presence in Colorado must collect 2.9% state tax, any statutory local sales tax and any home rule local taxes for jurisdictions in which the sellers have a physical presence.</p> <p>Effective October 1, 2019, marketplace facilitators are subject to the same requirements as remote sellers.</p> <p>Also effective on June 1, 2019, under <a href="#">HB 19-1240</a>, Colorado began requiring destination sourcing for local sales tax purposes for most sellers, but provided a temporary exception to this rule for marketplace sellers (those who sell products through a marketplace facilitator), as well as for small businesses who have a physical presence nexus in Colorado and had less than \$100,000 in retail sales during the previous calendar year. However, under HB 19-1240, this temporary exception from destination sourcing was set to expire 90 days after the Colorado Department of Revenue certified that a geographic information system (GIS) was available for retailers to comply with this destination sourcing requirement.</p> <p>On June 1, 2020, Colorado launched a sales tax filing portal called the Sales and Use Tax System (SUTS). This portal permits taxpayers to remit not only state-level sales taxes, but also local taxes in statutory local jurisdictions and in home rule local jurisdictions that have opted into the SUTS. The portal was also designed to integrate the GIS, whose certification was referred to by HB 19-1240. (Continued on the next page.)</p>

## Economic nexus reporting requirements – sales tax



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Colorado June 1, 2019 and forward	June 1, 2019	Prospective	\$100,000	No: Transaction requirement eliminated as of April 1, 2019.	Current or previous calendar year	Retail sales of tangible personal property, commodities and/or services. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.		<p>On April 1, 2021, the Colorado Department of Revenue ("CO-DOR") published the certification required by H.B. 19-1240, announcing that the GIS system under SUTS was available <u>online</u>. Thus as of July 1, 2021 (90 days from April 1, 2021), all retailers will be required to use destination sourcing for purposes of Colorado's "statutory" local sales taxes, as well as all "home rule" jurisdictions who have opted into the <u>SUTS Participating Jurisdictions</u>. CO-DOR has also provided a webpage of "home rule" jurisdictions who have opted into the <u>SUTS</u>.</p> <p>As of October 1, 2022, according to HB22-1027, Colorado eliminated the small business exception to destination sourcing requirements. This exception applied only to businesses with less than \$100,000 in retail sales. All retailers are now required to apply the destination sourcing rules below. The department does not have the authority to grant exceptions to these rules. (1) If the purchaser takes possession of the purchased property or first uses the purchased service at the seller's business location, the sale is sourced to that business location. (2) If the property or service is delivered to the purchaser at a location other than seller's business location, the sale is sourced to the location the purchaser receives the purchased property or first uses the purchased service. (3) If the purchaser requests delivery of the property or service to another recipient (i.e., the purchase is a gift), the sale is sourced to the location the recipient takes possession of the purchased property or first uses the purchased service.</p> <p>On July 1, 2022, Colorado imposed a retail delivery fee (RDF) of 27 cents on all deliveries to a destination in Colorado where an item of taxable tangible personal property is delivered and subject to state sales and use tax. The RDF will apply to both in-state and out-of- state sellers with nexus in the state.</p>
Colorado December 1, 2018 - May 31, 2019	December 1, 2018	Prospective	\$100,000	Yes, 200	Current or previous calendar year	Retail sales of tangible personal property, commodities and/or services. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.		<p>Remote sellers are required to collect both 2.9% state tax and any local taxes administered by the state on transactions sourced to Colorado buyers by destination. In-state sellers and sellers with physical presence in Colorado are required to collect 2.9% state tax, any local taxes administered by the state and any self-collected local taxes for jurisdictions in which they have physical presence. In-state sellers are still required to charge tax using origin sourcing, and are required to collect local tax for non-state administered localities, if there is nexus there. Those remote sellers who elect not to collect and remit until June 1, 2019 are subject to notice and reporting requirements in lieu of collection, and are subject to substantial penalties for noncompliance.</p>

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Connecticut	July 1, 2019	Prospective	Exceeds \$100,000	No Combined sales and 200 transactions test	12-month period ending on September 30 immediately preceding the monthly or quarterly period for which a person's sales tax liability is determined	\$100,000 in retail sales and 200 or more in retail sales transactions.  Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	October 1 of the year in which you cross the threshold on September 30	Marketplace providers are required to collect sales tax effective December 1, 2018. Always confirm collection responsibility with provider.
Connecticut	December 1, 2018-June 30, 2019	Prospective	Exceeds \$250,000	No Combined sales and 200 transactions test	12-month period ending on September 30 immediately preceding the monthly or quarterly period for which a person's sales tax liability is determined	\$250,000 in gross receipts and 200 or more in retail sales transactions. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.		Marketplace providers are required to collect sales tax effective December 1, 2018. Always confirm collection responsibility with provider.
District of Columbia	January 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in retail sales.  Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next transaction	Marketplace providers are required to collect sales tax effective April 1, 2019, on all sales. Always confirm collection responsibility with provider.
Florida	July 1, 2021	Prospective	Exceeds \$100,000	No	Previous calendar year	Sales of tangible personal property.  Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	On April 19, 2021, Gov. Ron DeSantis signed into law <a href="#">SB 50</a> , which imposes a Florida state and local sales tax collection requirement on remote sellers and marketplace providers who meet the applicable thresholds. On May 14, 2021, the Florida Department of Revenue issued <a href="#">Tax Information Publication</a> (TIP) 21A01-03, with additional guidance.
Georgia	January 1, 2020	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	Retail sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next Transaction after meeting the threshold	Effective immediately, Georgia has repealed the option for out-of-state sellers to report sales to the state and notify customers of tax obligations in lieu of collection and remittance of tax. <a href="#">Policy Bulletin SUT-2019-02</a> provides the effective dates for transitioning from the old, \$250,000 threshold with the notice/reporting option to the new, \$100,000 threshold. Marketplace facilitators are required to collect tax on remote sales as of April 1, 2020.

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Georgia	January 1, 2019 - December 31, 2019	Prospective	Exceeds \$250,000	Yes, 200	Current or previous calendar year	Retail sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.		Effective immediately, Georgia has repealed the option for out-of-state sellers to report sales to the state and notify customers of tax obligations in lieu of collection and remittance of tax. Marketplace facilitators are required to collect tax on remote sales as of April 1, 2020.
Hawaii	July 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first of the month following when the threshold is met.	Marketplace facilitators are required to collect tax on remote sales as of January 1, 2020.
Idaho	June 1, 2019	Prospective	Exceeds \$100,000	No transaction test	Current or previous calendar year	\$100,000, which includes exempt and taxable sales.  Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next transaction	Idaho retailers with a physical presence in the state that are also marketplace providers must register for a separate permit for any third-party marketplace sales, effective June 1, 2019.
Illinois	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200 for both taxable and exempt	Previous four quarters	\$100,000, which includes exempt and taxable sales, if the seller has both. If the seller has exempt sales only, the \$100,000 threshold does not apply, but it may have nexus due to the number of transactions. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	The retailer shall determine on a quarterly basis whether they meet the criteria for the preceding 12-month period.	<p>To the extent all sales are exempt from sales tax, the Illinois Department of Revenue says there's no requirement to register/file returns. Marketplace facilitators must collect state-level tax on remote sales after January 1, 2020.</p> <p>On September 1, 2020, Illinois published the <a href="#">Leveling the Playing Field for Illinois Retail Act Resource Page</a>, featuring resources such as state tax matrices, FAQ, registration examples and a retailer flowchart to help remote sellers and marketplace facilitators prepare for the January 1, 2021, implementation of destination sourcing for local taxes. Note that it only affects:</p> <ul style="list-style-type: none"> <li>• Sales made by a marketplace facilitator on behalf of any retailer.</li> <li>• Sales made by a marketplace facilitator on behalf of itself, if not fulfilled from Illinois inventory and for which selling activities do not otherwise occur in Illinois.</li> <li>• Nonmarketplace sales of a remote seller (a seller with no physical presence in Illinois) that has Wayfair nexus in Illinois.</li> </ul> <p>In February 2021, Illinois updated its <a href="#">resource page</a> by adding new FAQ and an updated Illinois Sales and Use Tax Matrix.</p> <p>On August 27, 2021, Illinois enacted <a href="#">SB 2066</a> which provides that (beginning January 1, 2020, to December 31, 2020) tangible personal property sales made by a marketplace seller through a marketplace for which Illinois' retailers' occupation tax (ROT) is due, but for which Illinois use tax has already been collected and remitted by the marketplace facilitator, are exempt from the ROT. This eliminated the previous potential that Illinois sales made through a marketplace during that time could have been taxed twice.</p> <p>On July 29, 2021, Illinois published <a href="#">General Information Letter ST-21-0027</a>, to describe how the state's economic nexus laws apply to drop shipments.</p> <p>In October 2021, Illinois issued <a href="#">Informational Bulletin FY 2022-04</a> (ROT guidance for remote retailers and marketplace facilitators) and <a href="#">Informational Bulletin FY 2022-05</a> (taxation of sales by auctioneers and internet auction listing services to Illinois purchasers). (Continued on the next page.)</p>

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<p>(Continued from the previous page.)</p> <p>In Illinois, three bills significantly change the reporting and collection obligations of, and options available to, remote sellers:</p> <ol style="list-style-type: none"> <li>SB 689, PA 101-0009: <ul style="list-style-type: none"> <li>Requires marketplace providers to collect and remit taxes on behalf of retailers who use those platforms, with an effective date of January 1, 2020.</li> <li>Absolves remote sellers of any liability related to mistakes made by marketplace providers who are collecting and remitting the tax on behalf of the remote sellers.</li> </ul> </li> <li>SB 690, PA 101-0031: <ul style="list-style-type: none"> <li>Permits certified service providers (CSPs) to complete tax collection, reporting and remittance functions for out-of-state retailers at no cost to those out-of-state retailers, with an effective date of July 1, 2020. Sellers would pay nothing for the service, but CSPs would be allowed to retain 1.75% of their tax collections as compensation.</li> <li>Requires remote sellers to collect taxes at the local level (up to an additional 4.75% above state rate). Currently, remote sellers are required only to collect sales tax at the state rate. Effective July 1, 2020. Note: This effective date was moved to January 1, 2021, by SB 119.</li> <li>Requires remote sellers to collect and remit under the ROT Act, rather than the Use Tax Act. Remote sellers would be liable for any locally imposed ROT, based on location of delivery. Effective July 1, 2020. Note: This effective date was moved to January 1, 2021, by SB 119.</li> </ul> </li> <li>SB 119, PA 101-0604: <ul style="list-style-type: none"> <li>Moves the deadline for remote retailers to begin collecting local taxes (i.e., to use destination sourcing for local taxes) from July 1, 2020, to January 1, 2021.</li> <li>Requires marketplace facilitators to begin collecting local taxes (i.e., to use destination sourcing for local taxes) effective January 1, 2021. The governor signed SB 689 on June 5, 2019, and SB 690 on June 28, 2019. The governor signed SB 119 on December 13, 2019.</li> </ul> </li> </ol>								
Indiana	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> toward the threshold for individual sellers.	Next transaction after meeting the threshold	Indiana has enacted legislation with marketplace nexus provisions effective July 1, 2019. You are required to collect tax if the facilitator meets Indiana's economic nexus threshold. In September 2021, Indiana revised <a href="#">Information Bulletin No. 57</a> to describe how the state's economic nexus laws apply to drop shipments.
Iowa	January 1, 2019	Prospective	Exceeds \$100,000	No: Transaction requirement eliminated as of July 1, 2019.	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first day of the next calendar month that starts at least 30 days from the day the remote seller first exceeded the threshold	Marketplace providers are required to collect sales tax effective January 1, 2019. Always confirm collection responsibility with provider.
Kansas	October 1, 2019	Prospective	No threshold (through June 30, 2021); exceeds \$100,000 (effective July 1, 2021)	No	Current or previous calendar year (effective July 1, 2021)	\$100,000, which includes exempt and taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next transaction	On May 3, 2021, the Kansas Legislature overrode Gov. Laura Kelly's veto of <a href="#">SB 50</a> , and thus established a \$100,000 revenue threshold for purposes of its historical economic nexus law, affecting remote sellers and marketplace facilitators, effective July 1, 2021. As a result, <a href="#">Notice 19-04</a> (which did not contain any minimum revenue threshold for economic nexus) became moot as of July 1, 2021.

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Kentucky	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	First of the calendar month that is at most 60 days after threshold is met	During the 2021 legislative session, SB 50 was passed and signed into law. Section 14 of the bill amends KSA 79-3702 to <a href="#">eliminate the click-through nexus provisions</a> for affiliated persons related to sales and use tax collections.
Louisiana	Tax years ending on and after July 1, 2020	Prospective	Exceeds \$100,000	No: eliminating transaction requirement as of August 1, 2023	Current or previous calendar year	Retail sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Within 30 days of exceeding the threshold, the remote seller must submit an application to the Louisiana Remote Seller Commission and must begin collecting state and local sales and use tax based upon actual applicable bases and rates on sales for delivery into Louisiana within 60 days.	Effective July 1, 2020, out-of-state sellers who make sales delivered into Louisiana are required to collect and remit sales tax if their sales in a calendar year exceed \$100,000 or who make (prior to Aug. 1, 2023) 200 or more separate transactions delivered into Louisiana. La. Rev. Stat. Ann. § 47:301(4)(m)(i), as added by 2018 La. H.B. 17, effective June 12, 2018, and amended by 2023 La. H.B. 171, effective Aug. 1, 2023; La. Rev. Stat. Ann. § 47:302(V)(2), as amended by 2020 La. S.B. 138, effective July 1, 2020; La. Admin. Code tit. 61, § 1537 and La. Admin. Code tit. 61, § 1538, both added by 46 La. Reg. Issue 1, Docket No. 21 (Jan. 20, 2020); Louisiana Remote Sellers Information Bulletin 20-002 (May 7, 2020); Louisiana Remote Sellers Information Bulletin 18-002 (Nov. 8, 2018, revised Dec. 18, 2018); see <a href="#">Louisiana Remote Sellers Information Bulletin 19-002 (July 2019) (draft version)</a> . New law (HB 171) modifies economic nexus provisions for remote retailers and marketplace facilitators by repealing the 200 hundred separate sales transaction threshold. Thus, nexus will be established if a person's gross revenue from sales delivered into the state exceed \$100,000 from sales of tangible personal property, electronically transferred products or services. This change takes effect August 1, 2023. La. Laws 2023, Act No. 15 (HB 171), signed by the governor on May 30, 2023
Maine	July 1, 2018	Retroactive to July 1, 2018, and sellers will be on the hook for uncollected taxes	Exceeds \$100,000	No: Transaction requirement eliminated as of January 1, 2022.	Current or previous calendar year	\$100,000 which includes exempt and taxable sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	First day of the first month that begins at least thirty days after the seller has exceeded the threshold.	Marketplace facilitators are required to collect tax on remote sales as of October 1, 2019. On June 11, 2021, Gov. Janet Mills signed into law <a href="#">HP 891</a> , which eliminated the transaction threshold of the state's sales tax economic nexus law effective January 1, 2022.
Maryland	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	First day of the month following when threshold is met	Marketplace nexus effective October 1, 2019. Always confirm responsibility with provider.



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Massachusetts	October 1, 2019	Prospective	Exceeds \$100,000	No	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	First day of the first month that starts two months after the month in which the remote retailer first exceeded the \$100,000 threshold, in the first year that it exceeds the	Economic nexus and marketplace facilitator provisions were signed into law on July 31, 2019, with an effective date of October 1, 2019. The sales threshold for marketplace providers is \$100,000 in a calendar year. With the new reporting thresholds, the cookie nexus has been eliminated.
Michigan	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Previous calendar year	\$100,000, which includes exempt and taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	January 1 following the year the threshold is exceeded	Marketplace facilitators must collect tax on remote sales as of January 1, 2020. On December 21, 2021, the Michigan Department of Treasury released a <a href="#">Revenue Administrative Bulletin</a> that explains each of the three ways that an out-of-state (remote) seller can establish nexus in Michigan for purposes of Michigan's General Sales Tax Act and Use Tax Act, namely physical presence nexus, attributional (click-through) nexus and economic nexus.
Minnesota: Expanded provision	October 1, 2019	Prospective	Exceeds \$100,000; eliminates de minimis standard of \$10,000 of taxable sales	Yes, increased to 200	12 consecutive months	\$100,000 in sales and 200 or more transactions (including retail sales). Exclude resale sales for thresholds, but include sales exempt by the statute (e.g., clothing). Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	First day of the calendar month occurring no later than 60 days after meeting or exceeding the threshold	The remote retailer or marketplace provider must collect no more than 60 days after exceeding one of the thresholds. Once registered, they are also required to collect and remit for the 12 months following registration. <a href="#">Revenue Notice 19-03</a> explains that a retailer or marketplace provider has sufficient physical presence nexus in state when it conducts business activity on at least four days during a 12-month period.
Minnesota	October 1, 2018– September 30, 2019	Prospective	Ten or more transactions totaling \$100,000 or more	Yes, 100	12 consecutive months	\$100,000 in sales and 200 or more transactions (including retail sales). Exclude resale sales for thresholds, but include sales exempt by the statute (e.g., clothing). Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.		Marketplace providers are required to collect sales tax effective October 1, 2018. Always confirm collection responsibility with provider.
Mississippi	September 1, 2018	Prospective	Exceeds \$250,000	No	Previous 12-month period	\$250,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	Marketplace facilitators are required to collect sales tax effective July 1, 2020 (Mississippi HB 379). Always confirm collection responsibility with provider. Third-party food delivery services are not included in the definition of a marketplace facilitator.

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Missouri	January 1, 2023	Prospective	Exceeds \$100,000	No	Immediately preceding four sales tax quarters	\$100,000, which includes taxable sales of tangible personal property. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	No later than 3 months following the close of the quarter when threshold was exceeded	On June 30, 2021, Gov. Mike Parson signed into law <a href="#">SB 153 &amp; 97</a> , establishing an economic nexus threshold for both remote sellers and marketplace facilitators. This law also permits the Missouri Department of Revenue to work with the Streamlined Sales and Use Tax Agreement's governing board to permit sellers to use its certified service providers and central registration system services. Additionally, it requires the department to produce and maintain a database of the boundaries for all of Missouri's 2,200+ local use tax jurisdictions, which is the primary reason for the law's significantly delayed effective date of January 1, 2023.
Nebraska	January 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in retail sales (all sales other than resale). Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first day of the second calendar month after the threshold was exceeded	Legislation was enacted to codify previously advised remote seller requirements and (effective April 1, 2019), marketplace facilitators are now required to collect and remit sales tax on behalf of sellers using their platforms.
Nevada	October 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000, which includes exempt and taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	By the first day of the calendar month that begins at least 30 calendar days after they hit the threshold	Marketplace facilitators are required to collect tax on remote sales as of October 1, 2019.
New Jersey	November 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Required to collect on first taxable sale, 30 day grace period to register	Marketplace providers must collect sales tax, effective November 1, 2018. Always confirm collection responsibility with provider.
New Mexico	July 1, 2019	Prospective	Exceeds \$100,000	No	Previous calendar year	<u>\$100,000 in taxable sales.</u>  Sales generated through a marketplace are <u>excluded from the threshold for individual sellers.</u>	January 1 following the year the threshold is exceeded	Local taxes required collection after two years, as New Mexico needed to change sourcing to the buyer's location, rather than that of the seller. New Mexico enacted legislation with marketplace nexus provisions, effective July 1, 2019. Requirements were to collect tax if the facilitator met New Mexico's economic nexus threshold. On December 5, 2020, New Mexico <u>reminded</u> taxpayers that, effective July 1, 2021, the state would adopt destination-based sourcing under its gross receipts tax. In July 2021, New Mexico updated its publication <a href="#">Fvi-206</a> to remind remote sellers and marketplace facilitators of their obligations under the state's Wayfair laws. This included the fact that, effective July 1, 2021, New Mexico started requiring destination-based sourcing for purposes of its gross receipts tax.

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Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
New York	June 21, 2018 (the date of the Wayfair decision)	Retroactive	Exceeds \$500,000 in sales of tangible personal property AND more than 100 sales	No, combined sales and 100 transaction tests	Immediately preceding four sales tax quarters	\$500,000 in gross sales from tangible personal property. Services are excluded.  Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Register within 30 days after meeting the threshold and begin to collect tax 20 days thereafter	A November 5, 2019, technical memorandum clarified that legislation from June 24, 2019 (which raised the threshold from \$300,000 to \$500,000), had a retroactive June 21, 2018, effective date (the date of the Wayfair decision). Marketplace providers are required to collect sales tax, effective June 1, 2019, with a threshold of \$500,000 and 100 transactions. A May 31, 2019, technical memorandum clarified that services (i.e., transportation/other services, restaurant food, hotel occupancy or admissions to places of amusement) aren't included in the gross sales definition for purposes of determining the filing responsibility of a marketplace provider. The gross sales definition also applies to remote sellers.
New York	January 15, 2019–May 31, 2019	Prospective	Exceeds \$300,000 in sales of tangible personal property and more than 100 sales	No, combined sales and 100 transaction tests	Immediately preceding four sales tax quarters	\$300,000, which includes exempt and taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.		Marketplace providers are required to collect sales tax, effective June 1, 2019, with a threshold of \$500,000 and 100 transactions. A May 31, 2019, technical memorandum clarified that services (i.e., transportation/other services, restaurant food, hotel occupancy or admissions to places of amusement) are not included in the definition of gross sales for purposes of determining filing responsibility of a marketplace provider. The same definition of gross sales would also apply to a remote seller.
North Carolina	November 1, 2018	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next transaction	Marketplace providers are required to collect sales tax effective February 1, 2020. Always confirm collection responsibility with provider. Effective July 1, 2020, food delivery services that act as marketplace facilitators are required to collect and remit local meal taxes in addition to sales taxes (HB 1080).
North Dakota	October 1, 2018	Prospective	Exceeds \$100,000	No: Transaction requirement eliminated as of December 31, 2018.	Current or previous calendar year	\$100,000 in taxable sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	The following calendar year or 60 days after the threshold is met, whichever is earlier	North Dakota indicated that remote retailers must register and collect by the later of October 1, 2018, or 60 days after the remote retailer meets the small-seller exception threshold. North Dakota has enacted legislation with marketplace nexus provisions effective October 1, 2019. Collecting tax is required, if the facilitator meets North Dakota's economic nexus threshold.
Ohio	August 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000. Taxable receipts are based on the new Ohio questionnaire they created. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next day after meeting the threshold	Marketplace facilitators are subject to same thresholds, with the same effective date. Ohio created an <a href="#">FAQ</a> for economic nexus and marketplace facilitators.

## Economic nexus reporting requirements – sales tax

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Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Oklahoma November 1, 2019, and forward	November 1, 2019, and forward	Prospective	Increased to at least \$100,000 in taxable merchandise	No	Current or previous calendar year	Taxable sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	The first calendar month following the month when the threshold is met	Effective January 1, 2023, the \$100,000 aggregate taxable sales threshold for remote sellers includes all taxable products, meaning tangible personal property, services and/or other transactions subject to Oklahoma sales tax.
Oklahoma July 1, 2018–October 31, 2019	July 1, 2018–October 31, 2019	Prospective	At least \$10,000 in taxable merchandise	No	Prior 12 months	Taxable sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.		Marketplace providers are required to collect sales tax, effective July 1, 2018. Always confirm collection responsibility with provider.
Pennsylvania: Expanded provision	July 1, 2019	Prospective	Exceeds \$100,000	No	Prior 12 months on a calendar year basis	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	April 1 following the calendar year when threshold was exceeded	Marketplace providers are required to collect sales tax, effective July 1, 2019. Always confirm collection responsibility with provider. On June 23, 2021, <a href="#">HB 1656</a> was filed, which would require remote sellers with nexus in the state to use destination sourcing for local sales tax purposes (i.e., in Philadelphia and Allegheny counties), rather than sourcing the sale to the location of the seller's warehouse. According to a corresponding <a href="#">bill memo</a> , HB 1656 is intended to close an Amazon local sales tax loophole.
Pennsylvania Act 43, enacted in 2018	April 1, 2018, and April 1, 2019, for digital goods and electronic tangible personal property	Retroactive to April 1, 2018, for taxable sales other than digital goods or electronic tangible personal property	Exceeds \$10,000	No	Previous calendar year	\$10,000 taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.		Marketplace providers are required to collect sales tax, effective April 1, 2018. Always confirm collection responsibility with provider.
<p>The provisions of Act 43 remain valid law applicable to those vendors who have neither a physical presence nexus, nor an economic nexus in Pennsylvania. The act states:</p> <ul style="list-style-type: none"> <li>All marketplace facilitators and online sellers who have economic nexus (e.g., Pennsylvania annual gross sales of greater than \$100,000) must now register, collect and remit Pennsylvania sales tax.</li> <li>Marketplace facilitators and online sellers with annual Pennsylvania taxable sales of greater than \$10,000 but less than \$100,000 in total sales are required to make an election to: <ol style="list-style-type: none"> <li>Register to collect and remit Pennsylvania sales tax.</li> <li>Comply with tax notification and reporting requirements.</li> </ol> </li> </ul>								
Puerto Rico	January 1, 2021	Prospective	Exceeds \$100,000	Yes, 200	Previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	
Rhode Island: Expanded provision	July 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	January 1 following the year the threshold is exceeded	It is not dependent on the cookie nexus, and it removes the option for notice/reporting of customer purchases in lieu of registration/ collection.

## Economic nexus reporting requirements – sales tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Rhode Island: Original provision, enacted in 2017	August 17, 2017	Retroactive	Exceeds \$100,000	Yes, 200	Previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.		Marketplace providers are required to collect sales tax, effective August 17, 2018. Always confirm collection responsibility with provider.
<p>Rhode Island House Bill 5278 was enacted in April 2019. Rhode Island has now enacted legislation with new economic nexus and marketplace nexus provisions. Under legislation that was previously enacted on August 3, 2017, it has special rules that will still apply from August 17, 2017, through June 30, 2019:</p> <ul style="list-style-type: none"> <li>· 2019 legislation: All marketplace facilitators and online sellers who have economic nexus (e.g., Rhode Island annual gross sales of greater than \$100,000 or greater than 200 transactions) must now register, collect and remit Rhode Island sales tax.</li> <li>· 2017 legislation: Marketplace facilitators and online sellers with cookies nexus and annual Rhode Island taxable sales of greater than \$100,000 in total sales or greater than 200 transactions are required to make an election to either register to collect and remit Rhode Island sales tax or comply with tax notification and reporting requirements.</li> </ul>								
South Carolina	November 1, 2018	Prospective	Exceeds \$100,000	No	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first day of the second calendar month after economic nexus is established	The governor signed a bill on April 26, 2019, that imposed collection requirement on marketplace facilitators who facilitate more than \$100,000 in third-party sales. Always confirm collection responsibility with provider.

# Economic nexus reporting requirements – sales tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
South Dakota	Tax years ending on and after November 1, 2018	Prospective	Exceeds \$100,000	No: Transaction requirement eliminated as of July 1, 2023.	Current or previous calendar year	<p>\$100,000 in gross sales.</p> <p>Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.</p>	Next transaction	<p>South Dakota has enacted an economic nexus provision requiring sellers without a physical presence in the state to collect and remit sales tax if a minimum volume of sales are made within South Dakota. S.D. Codified Laws Ann. § 10-64-2, as added by 2016 S.D. S.B.106, § 1, effective May 1, 2016, and amended by 2023 S.D. S.B. 30, effective July 1, 2023; Streamlined Sales Tax Governing Board, Taxability Matrix: Tax Administration Practices, South Dakota (version 2022.1).</p> <p>The statute requires vendors without a physical presence in South Dakota to collect and remit the applicable sales tax for tangible personal property, products transferred electronically and services for delivery into the state, provided that in the previous or current calendar year the vendor either:</p> <ul style="list-style-type: none"> <li>· Earns more than \$100,000 gross revenue from the sale of tangible personal property, any product transferred electronically or services delivered into South Dakota or</li> <li>· Prior to July 1, 2023, sells in more than 200 separate transactions any tangible personal property, any product transferred electronically or services for delivery into South Dakota. S.D. Codified Laws Ann. § 10-64-2, as added by 2016 S.D. S.B.106, § 1, effective May 1, 2016, and amended by 2023 S.D. S.B. 30, effective July 1, 2023; Streamlined Sales Tax Governing Board, Taxability Matrix: Tax Administration Practices, South Dakota (version 2022.1). <p>As South Dakota's economic nexus threshold is based on gross revenue, all sales of tangible personal property, products transferred electronically or services must be included when determining whether a seller has exceeded the threshold. Nontaxable sales, tax-exempt sales and sales for resale may not be excluded. Streamlined Sales Tax Governing Board, Taxability Matrix: Tax Administration Practices, South Dakota (version 2022.1).</p> <p>If an out-of-state seller makes sales delivered into South Dakota both via its own platform and via a marketplace, the seller must include both types of sales when determining whether it has exceeded the economic nexus threshold. Streamlined Sales Tax Governing Board, Taxability Matrix: Tax Administration Practices, South Dakota (version 2022.1).</p> </li></ul>
Tennessee	October 1, 2020	Prospective	Exceeds \$100,000	No	Prior 12 months	<p>\$100,000 (all retail sales, including exempt retail sales, but excluding sales for resale).</p> <p>Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.</p>	The first day of the third month following the month in which the dealer met the threshold, but no earlier than July 1, 2017	Marketplace facilitators are required to collect tax on remote sales as of October 1, 2020 (L. 2020, S.2932). The business tax economic nexus thresholds were not affected by this law and remain at \$500,000 of Tennessee sales.
Tennessee	October 1, 2019–September 30, 2020	Prospective	Exceeds \$500,000	No	Prior 12 months	<p>\$500,000 in gross sales.</p> <p>Sales generated through a marketplace are <u>excluded</u> toward the threshold for individual sellers.</p>		Tennessee enacted legislation on May 21, 2019, that authorizes the Department of Revenue to enforce its economic nexus rule, effective July 1, 2019. However, the state will not require out-of-state sellers to collect tax until October 1, 2019. Marketplace facilitators are required to collect tax on remote sales as of October 1, 2020.

## Economic nexus reporting requirements – sales tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Texas	January 1, 2019, with an enforcement date of October 1, 2019	Prospective	Exceeds \$500,000	No	Prior 12 months	\$500,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first day of the fourth month after the month in which the seller exceeded the safe harbor threshold	Effective October 1, 2019, remote sellers will have the option of collecting and remitting a single local tax rate of 1.75%, rather than complying with varying rates (from 0% to 2.0%) in 1,500+ local jurisdictions. In addition, marketplace providers are required to register and collect sales tax, effective October 1, 2019, if the facilitator meets Texas's economic nexus threshold. On December 14, 2020, Texas published an <a href="#">FAQ</a> covering sales and use tax issues affecting remote sellers and marketplace providers. In its July 2021 edition of <a href="#">Tax Policy News</a> , Texas reminded taxpayers of two local tax-sourcing changes, effective October 1, 2021, including the change that orders received by a shopping website or shopping application would be sourced to the Texas customer's location unless fulfilled by the seller's Texas place of business.
Utah	January 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	Marketplace providers are required to collect sales tax, effective October 1, 2019. Always confirm collection responsibility with provider. In July 2021, Utah began sending all new sales tax registrants a nexus questionnaire to determine whether a filing requirement may have existed before the start date listed on the sales tax registration form. On September 1, 2021, Utah issued a revised version of <a href="#">Publication 71</a> , containing general information for marketplace sellers and marketplace facilitators.
Vermont	July 1, 2018	Retroactive	Exceeds \$100,000	Yes, 200	Prior 12 months	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	First of the month after 30 days from the end of the quarter that you exceed the threshold	Marketplace facilitators are required to collect tax on remote sales as of June 1, 2019.
Virginia	July 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in retail sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	Marketplace providers are required to collect sales tax, effective July 1, 2019. Always confirm collection responsibility with provider.
Washington	October 1, 2018	Prospective	Exceeds \$100,000	No: Transaction requirement eliminated as of March 14, 2019.	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	The first day of the month that starts at least 30 days after you meet the threshold	Marketplace providers required to collect sales tax, effective January 1, 2018. Always confirm collection responsibility with provider.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax

The states listed in the table below use income/franchise/gross receipts tax economic nexus thresholds that fall into one of two categories. The first category consists of states that use a specific numeric threshold of in-state sales for measuring their nexus threshold, such as \$500,000. The second category consists of those states who (subsequent to the Wayfair case) have given public notice (whether through the enactment of a law, the publication of written guidance or through the performance of widely observed audit enforcement practices) of their assertion of nexus over companies who make any sales (with no numeric threshold) in their state.

Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
West Virginia	January 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Previous calendar year	\$100,000, which includes exempt and taxable sales. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers.	Next transaction	Marketplace providers are required to collect sales tax, effective July 1, 2019. Always confirm collection responsibility with provider.
Wisconsin	October 1, 2018	Prospective	Exceeds \$100,000	No: Transaction requirement eliminated as of February 20, 2021. Yes: 200 from October 1, 2018-February 19, 2021.	Effective February 20, 2021: Current or previous calendar year From October 1, 2018-February 19, 2021: 2021: Current or previous taxable year for federal income tax purposes	\$100,000, which includes gross sales. However, a remote seller that is a wholesaler and only sells products for resale is not required to register for sales or use tax. Sales generated through a marketplace are <u>included</u> toward the threshold for individual sellers, but if all sales are made through a marketplace that is collecting, the individual seller is not required to register.	Next transaction	The Wisconsin Department of Revenue released an article in 2016 that described when a marketplace and third-party seller may both be retailers and liable for tax on sales. Wisconsin passed Marketplace legislation, effective October 1, 2019. Effective January 1, 2020, marketplace providers are solely responsible for collection/ remittance of tax on all sales facilitated on behalf of a marketplace seller. For sales made through December 31, 2019, both the marketplace provider and third-party seller may be liable on taxable sales. On February 24, 2021, Wisconsin updated its <a href="#">Remote Sellers Common Questions</a> to reflect fact that, effective February 20, 2021, <a href="#">2021 Wisconsin Act 1</a> eliminated the 200-transaction threshold from Wisconsin's small seller exception, and changed the period during which the threshold is measured (from the current or previous taxable year to the current or previous calendar year).
Wyoming	February 1, 2019	Prospective	Exceeds \$100,000	Yes, 200	Current or previous calendar year	\$100,000 in gross sales. Sales generated through a marketplace are <u>excluded</u> from the threshold for individual sellers.	Next transaction	Marketplace facilitators are required to collect tax on remote sales as of July 1, 2019

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## Economic nexus reporting requirements: Income/franchise/gross receipts tax

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Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Alabama	N/A	Taxable years beginning on or after January 1, 2015	\$500,000 or 25% of total sales (2015-2018) \$538,000 or 25% of total sales (2019 forward)	No	Entity's current taxable year	All sales		<a href="#">Alabama Department of Revenue Corporate Income Tax</a>
Arkansas	March 24, 2022	Since at least 2014	Significant Economic Presence (West Virginia v. MBNA)	No	Entity's current taxable year	All sales		On March 24, 2022, an Arkansas ALJ in <a href="#">Hearing Decision Dkt. No. 22-154</a> adopted the "significant economic presence" test first articulated in West Virginia v. MBNA (2016), and held that the taxpayer had corporate income tax nexus in Arkansas for 2014-2016 under that standard. Because the taxpayer's Arkansas-sourced receipts are redacted in the opinion, it is impossible to tell what amount of annual Arkansas-sourced receipts the ALJ found to be "significant" enough to create nexus.
California: State	N/A	Taxable years beginning on or after January 1, 2011	The sales threshold is an amount indexed annually for inflation or 25% of total sales. For 2011, the threshold was \$500,000. For 2021, the threshold is \$637,252.	No	Entity's current taxable year	All sales		<a href="#">Doing business in California</a>
California: San Francisco	N/A	Taxable years beginning on or after January 1, 2019	\$500,000	No	Entity's current taxable year	All sales		This nexus standard applies to the city's gross receipts tax, business registration fee, payroll expense tax and commercial rents tax.
Colorado	N/A	Taxable years beginning on or after January 1, 2010	\$500,000, or 25% of total sales	No	Entity's current taxable year	All sales		<a href="#">Code of Colorado Regulation 39-22-301</a> On July 30, 2021 (released September 2021), Colorado issued GIL-21-004, on how the state's factor presence nexus standards apply to a partnership that provides investment advisory services to a RIC.
Connecticut	N/A	Taxable years beginning on or after January 1, 2010	\$500,000	No	Entity's current taxable year	All sales		Connecticut Information Publication IP 2010 (29.1) (December 28, 2010)
Delaware	N/A	For many years	Any	No	Entity's current taxable year	All sales		The Delaware Gross Receipts Tax applies to businesses that make any sales to customers in the state.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax

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Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Hawaii	N/A	Taxable years beginning after December 31, 2019	\$100,000	Yes, 200	Current or preceding calendar year	\$100,000, which includes exempt and taxable sales		The governor signed Act 221 (SB 495, SD 2, HD 1) on July 2, 2019. The business tax nexus threshold is identical to the sales tax nexus threshold. In <a href="#">Tax Information Release 2020-05</a> (September 30, 2020), the Hawaii Department of Taxation asserted that any company that met the state's sales tax economic nexus threshold would not only have income tax nexus in the state, but would also be automatically ineligible for Public Law 86-272 protection.
Illinois: State	N/A	Since at least 2015	Significant Economic Presence (West Virginia v. MBNA)	No	Entity's current taxable year	All sales		In <i>Capital One Fin. Corp. v. Hamer</i> , No. CSP045, 2015 BL 396584 (Ill. Cir. Ct. May 11, 2015), Illinois adopted the "significant economic presence" standard for corporate income tax nexus first adopted in <i>West Virginia v. MBNA</i> (2016). The court found that this standard had been met by a taxpayer who, among other things, earned "millions" of dollars in annual revenue from Illinois customers.
Illinois - Chicago	July 1, 2021	Prospective	At least \$100,000	No	Prior 12 months (measured quarterly)	All sales (revenue)		<a href="#">Chicago announces Wayfair-based nexus safe harbor for its cloud tax and amusement tax</a> (February 8, 2021)
Indiana	N/A	Taxable years beginning on or after January 1, 2019	Any	No	Entity's current taxable year	All sales		Indiana SB 563 (May 1, 2019) revised the state's corporate income tax law to state that "income derived from Indiana shall be taxable to the fullest extent permitted by the Constitution of the United States ... regardless of whether the taxpayer has a physical presence in Indiana."
Iowa	N/A	Many Years	Any	No	Entity's current taxable year	All sales		In <i>KFC Corp. v. Iowa Dep't of Revenue</i> , 792 N.W.2d 308 (2010), the Iowa Supreme Court held that physical presence is not required for corporate income tax nexus. The Iowa Department of Revenue has since applied this case by asserting nexus over companies who earn any amount of revenue from Iowa sources.
Kentucky	N/A	2019	Any	No	Entity's current taxable year	All sales		In March 2019, the Kentucky Department of Revenue updated its website to include a Q&A section regarding whether its sales and use tax economic nexus thresholds applied to the state's corporate income tax or limited liability entity tax (LLET). The state concluded that they did not and asserted that companies must file corporate or LLET returns if they have any amount of sales, property or payroll in the state.
Louisiana	Tax years beginning on or after January 1, 2023	Pending legislation	More than \$500,000	No	Entity's current taxable year	All sales		Under Louisiana H.B. 518, prefilled on March 31, 2023, nonresident individuals and entities not formed under Louisiana law would have business tax nexus in the state for a tax year if they have more than (1) \$50,000 of property, (2) \$50,000 of payroll, (3) \$500,000 in sales, or (4) 25% of total property, payroll or sales in Louisiana for that tax year. The DOR would be required to annually adjust these thresholds for inflation.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Maine	N/A	Tax years beginning on or after January 1, 2022	\$500,000 or 25% of the C corporation's total sales	No	Entity's current taxable year	All sales		On June 11, 2021, Maine Gov. Janet Mills signed into law HP 891, which for corporate income tax purposes only established a factor presence nexus standard applicable for tax years beginning on or after January 1, 2022. Under <a href="#">HP 891</a> , a C corporation that holds an interest directly or indirectly in a partnership has nexus with Maine for corporate income tax purposes if the partnership is organized or commercially domiciled in Maine or if the related economic nexus threshold is met at the partnership level. In September 2021, Maine issued a <a href="#">summary of recently enacted, Maine tax laws</a> including the factor presence nexus standard enacted for corporate income tax purposes in June. According to this summary, "The new thresholds create a safe harbor for corporations with little activity within the State that nonetheless have nexus under current law due to a small, but greater than de minimis, physical presence in Maine."
Massachusetts	N/A	Taxable years beginning on or after January 1, 2019	\$500,000	No	Entity's current taxable year	All sales		<a href="#">830 CMR 63.391(3)(d)</a>
Michigan: State	N/A	Taxable years beginning on or after January 1, 2012	\$350,000	No	Entity's current taxable year	All sales	Active solicitation is also required, as defined by Michigan RAB 2013-9 (June 5, 2013)	<a href="#">Revenue Administration Bulletin 2013-9</a>
Michigan: Detroit	August 19, 2022	June 22, 2018	Unclear, perhaps \$100,000	No	Entity's current taxable year	All sales		On August 19, 2022, the Michigan Tax Tribunal held in Apex Laboratories ( <a href="#">Dkt. No. 16-000724-R</a> ) that a company lacked city corporate income tax nexus for tax years 2012 and 2013, even after considering the impact of the U.S. Supreme Court's June 21, 2018, decision in <i>Wayfair v. South Dakota</i> . The tribunal determined that the <i>Wayfair</i> case cannot legally be applied to the Detroit corporate income tax on a retroactive (pre- <i>Wayfair</i> ) basis. Even though the tribunal didn't explicitly rule whether <i>Wayfair</i> creates an "economic nexus" standard under the city's corporate income tax, it suggested that a "substantial" amount of city-sourced sales would be required (such as the \$100,000 threshold discussed in <i>Wayfair</i> ).
Minnesota	N/A	Taxable years beginning on or after January 1, 1986	Any	No	Entity's current taxable year	All sales		Minnesota has been widely known to assert revenue over companies with any amount of in-state revenue under Minnesota Statute 290.015 Subdivision 1(b) and Subdivision 1(c)(2) and (3).
New Hampshire	2007	2007	\$217,000 (2019-2020); \$222,000 (2021); \$250,000 (2022)	No	Entity's current taxable year	All sales		New Hampshire's economic nexus law does not use a particular threshold. Instead, it requires only "a substantial economic presence evidenced by a purposeful direction of business toward the state examined in light of the frequency, quantity, and systematic nature of a business organization's economic contacts with the state." <a href="#">R.S.A. 77-A:1, XII</a> (defining "business activity"). However, the NH-DRA uses an annually-indexed threshold of NH sales to determine when a business profits tax (BPT) return is required.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
New Jersey	Tax years ending on and after July 31, 2023	Pending legislation	More than \$100,000	Yes, 200 or more	Entity's current taxable year	All sales		Under Sec. 6 of New Jersey S.B. 3737, introduced on March 30, 2023, under the Corporation Business Tax (CBT), "substantial nexus" would exist for a corporation that meets either of the following criteria during its calendar or fiscal year: (1) deriving more than \$100,000 of receipts from sources in New Jersey, or (2) having 200 or more separate transactions delivered to New Jersey customers.
New York: State	N/A	Taxable years beginning on or after January 1, 2015	\$1.138 billion for tax years beginning after January 1, 2022	No	Entity's current taxable year	All sales		This standard only applies to corporations. For the \$1.138 billion economic nexus threshold increase, see <a href="#">New York State Corporate Tax Reform FAQs</a> .
New York City	August 31, 2022	January 1, 2022	\$1 million	No	Entity's current taxable year	All sales		On August 31, 2022, New York enacted S.B. 9454, which for tax years beginning on or after January 1, 2022, aligns New York City's economic nexus standard with New York State's economic nexus standards. Under S.B. 9454, businesses are subject to the city's business corporation tax (BCT) if they have at least \$1 million in New York City receipts. This standard does not apply to either 1) the general corporation tax (GCT), applicable only to S corporations, or 2) the unincorporated business tax (UBT).
Ohio	N/A	Taxable years beginning on or after January 1, 2005	\$500,000	No	Entity's current taxable year	All sales		This nexus standard applies to the Commercial Activity Tax.
Oregon: State	2018	At least 2006	Substantial Economic Nexus	No	Entity's current taxable year	All sales		On August 9, 2018, the Oregon Supreme Court in <i>Capital One Auto Finance, Inc., 363 Or. 441, 432 P.3d 80</i> (2018) adopted a "substantial economic nexus" test under Oregon's corporate income tax for a taxpayer's 2006-2008 tax years. The court, which did not mention <i>West Virginia v. MBNA</i> (2016), held that this new standard was met because the taxpayer, among other things, earned approximately \$150 million in annual revenue from in-state customers during these tax years.
Oregon: Portland	N/A	Taxable years beginning on or after January 1, 2019	\$500,000	No	Entity's current taxable year	Retail revenue		The Portland Clean Energy Community Benefits Initiative was enacted on November 16, 2018, requiring large retailers to pay a 1% surcharge on gross revenue from their Portland-sourced sales. It only applies to retailers with a Portland Business License Tax, more than \$500,000 in annual Portland revenue, and more than \$1 billion in total annual revenue, starting January 1, 2019.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax



Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Pennsylvania: State	N/A	Taxable years beginning after December 31, 2019	\$500,000	No	Entity's current taxable year	All sales		On September 30, 2019, Pennsylvania issued Corporate Tax Bulletin 2019-04 stating that, for tax periods starting on or after January 1, 2020, there would be a rebuttable presumption that corporations with no in-state physical presence, but who had Pennsylvania-apportioned gross receipts of at least \$500,000, had a corporate net income tax filing requirement. <a href="#">Corporation Tax Bulletin 2019-04</a> Additional details: on July 8, 2022, Pennsylvania codified the state's economic nexus threshold, which had previously been adopted by ruling (Corp. Tax Bull. 2019-04). This new law, which applies to tax years beginning after December 31, 2022, does not address its impact on the period between its tax year 2023 effective date and the issuance of Bulletin 2019-04.
Pennsylvania: Allentown	N/A	Tax years beginning on or after January 1, 2021	\$500,000	Yes, at least 15	Calendar year	All sales (gross volume)		On December 31, 2020, the city of Allentown, Pennsylvania <a href="#">announced</a> that, effective January 1, 2021, it was amending its business privilege tax regulations to establish the economic nexus standard previously described.
Pennsylvania: Philadelphia	N/A	Taxable years beginning on or after January 1, 2019	\$100,000	No	Any 12-month period ending in the current year	All sales		This nexus standard applies to the Business Income and Receipts Tax. <a href="#">Learn more</a>
Tennessee	N/A	Taxable years beginning on or after January 1, 2016	\$500,000, or 25% of total sales	No	Entity's current taxable year	All sales		This nexus threshold applies to the state's franchise, excise (net income) and business (gross receipts) taxes. This nexus threshold was unaffected by the reduction to Tennessee's sales tax economic nexus threshold from \$500,000-\$100,000, which is effective on October 1, 2020. On December 1, 2020, Tennessee published an FAQ explaining that marketplace sellers should include sales receipts from sales facilitated through a marketplace when determining whether they meet the \$500,000 economic nexus threshold for business tax and franchise/excise tax purposes.
Texas: Franchise tax	N/A	Franchise tax returns are due on or after January 1, 2020	\$500,000	No	Entity's current taxable year	All sales		Entities with a Texas sales/use tax permit are (rebuttably) presumed to have franchise tax nexus. On February 5, 2021, Texas revised its franchise tax nexus regulation ( <a href="#">34 TAC 3.586</a> ) to replace the phrase "is not doing business" with "does not have physical presence," because a limited partner may be doing business in Texas even though the comptroller doesn't consider a limited partner to have physical presence in Texas when the partnership is doing business in Texas. It also added guidance about the beginning date when a foreign taxable entity overcomes Texas' presumption of nexus and included a definition of gross receipts that mirrors Texas Tax Code 171.1121. Lastly, it provided more guidance relating to the beginning date of a foreign taxable entity on or after January 1, 2019, and made technical changes.

## Economic nexus reporting requirements: Income/franchise/gross receipts tax

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Requirements								
State	Effective date	Effective date treatment	Sales threshold	Separate test for number of transactions?	Year	Definition of sales threshold (taxable sales or all sales)	Conducts certain activities	Additional details
Utah	N/A	Taxable years beginning on or after January 1, 2019	Any	No	Entity's current taxable year	All sales		On March 27, 2019, Utah SB 28 was enacted, providing that, for corporate income tax purposes, nexus can be created by selling or performing a service in Utah or earning income from the use of intangible property in Utah.  On Oct. 10, 2023, Utah updated its nexus guide, which repeated Utah's assertion that corporate income tax nexus exists for companies who sell a service in which the customer receives the greater benefit of the service in Utah.
Vermont	N/A	2018	Any	No	Entity's current taxable year	All sales		Ever since March 1, 2018, when it issued Technical Bulletin TB-70, Vermont has asserted nexus over corporations that have a positive apportionment percentage in the state "if [the corporation's] wage, property and/or sales factor(s) exceeds zero."
Virginia	N/A	Since 1991	Any	No	Entity's current taxable year	All sales		Since 1991, Virginia Administrative Code 10-120-20(4)(A)(2) has asserted nexus over corporations that have a positive apportionment factor in the state.
Washington: Business and occupation tax	N/A	June 1, 2010 (service and other activities) September 1, 2015 (wholesaling) July 1, 2017 (retailing)	2010 to 2012: \$250,000 2013 to 2016: \$267,000 2017 to 2019: \$285,000 2020 forward: \$100,000	No	Immediately preceding tax year (June 30, 2017, or earlier) Current or immediately preceding calendar year (July 1, 2017, or later)	All sales		<a href="#">Summary chart of nexus and registration criteria</a>
West Virginia	2007	1998	Significant Economic Presence (West Virginia v. MBNA)	No	Entity's current taxable year	All sales		In West Virginia v. MBNA, the West Virginia Supreme Court adopted a "significant economic presence" test for corporate income tax nexus. The court found that this standard had been met by a taxpayer who, among other things, earned \$10.2M in annual revenue from West Virginia customers.
Wisconsin	N/A	Many years	Any	No	Entity's current taxable year	All sales		For many years, Wisconsin has been widely known to have asserted revenue over companies with any amount of in-state revenue under Wisconsin Administrative Code Tax 2.82(4)(a)(9m) and (10).  For example, in a March 16, 2022, ruling, the Wisconsin Tax Appeals Commission upheld an income tax withholding obligation for tax years 2015-2018 over an S corporation whose sole connection to Wisconsin was that it had just over \$100,000 of annual Wisconsin revenue during those years. MacKinney Systems, Inc. v. WDOR, Wisconsin Tax Appeals Commission Docket No. 20-W-222 (March 16, 2022).  <a href="#">See also Kuta Software, LLC v. WDOR, WTAC (July 28, 2023) (holding that the licensing of computer software, with revenues of any amount, constituted "doing business" and "business transacted" in the state, sufficient to subject Kuta to Wisconsin's requirement to pay pass-through withholding tax).</a>

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