

States with Economic Nexus Laws as of July 1, 2018

STATE	ENACTING LEGISLATION OR REGULATION	SALES THRESHOLD ¹	TRANSACTIONS THRESHOLD ²	MUST BOTH THRESHOLDS BE MET?	EFFECTIVE DATE	AMAZON FBA FC IN STATE	OTHER CRITERIA/ADDITIONAL COMMENTS
Alabama	Regulation 810-6-2-.90.03	Sales of TPP of <i>more than</i> \$250,000 in prior calendar year	None	Sales plus other criteria must be met (see Additional Comment)	Oct 1 2018 ³	None currently, but see note below⁴	Seller must also engage in or conduct certain other activities ⁵ in Alabama in addition to having more than \$250,000 in sales.
Connecticut	S.B. 417	Retail sales of TPP delivered into CT of \$250,000 or <i>more</i> in year ending Sept 30 2018	200 or more separate retail sales in the year ending Sept 30, 2018	Both sales AND transactions thresholds must be met as well as other criteria (see Additional Comment)	Dec 1 2018	YES	In addition to meeting <u>both</u> the sales and transaction thresholds, the seller must also regularly & systematically solicit sales via mail, telephone, computer, internet or other communication system. ⁶
Georgia	H.B. 61	Retail sales of TPP ⁷ of <i>more than</i> \$250,000 in prior or current calendar year	200 or more separate retail sales of TPP	Either sales OR transactions - only requires 1 threshold exceeded	Jan 1 2019	YES	H.B. 61 also includes a notification & reporting provision.

¹ IMPORTANT REGARDING SALES THRESHOLDS: When reviewing this chart, note that in some states the sales threshold is the specified sales amount OR MORE (e.g., Connecticut, Georgia); while in others it is MORE THAN the specified sales amount (e.g., Alabama). Also, note that in many states, the law makes no distinction between taxable and non-taxable sales. *Therefore, an out-of-state seller whose sales into an economic nexus state are largely exempt sales (such as "sales for resale") may still exceed the sales or transaction thresholds even if many of their sales would not be subject to sales tax.*

² IMPORTANT REGARDING TRANSACTIONS THRESHOLDS: Note that in many states if EITHER of the thresholds is met, the seller would have economic nexus (e.g., GA, IN, SD, etc.). But in other states, BOTH thresholds must be met for the seller to be subject to the state's economic nexus law (e.g., CT, MA).

³ Alabama's economic nexus regulation had an original effective date of Jan 1, 2016 however, the Alabama regulation could not be enforced until *Wayfair* was decided. On July 3, 2018, the Alabama DOR announced its regulation would become effective on Oct 1, 2018. See the Alabama DOR [Press Release](#) for more information.

⁴ Amazon will be opening its first fulfillment center in Alabama in late 2018 or early 2019.

⁵ An out-of-state seller must also engage in or conduct one of more of the activities in addition to exceeding the sales threshold: (1) occupying, using a facility directly or indirectly (though sub or agent); (2) employing and/ or engaging a sales rep, agent, solicitor, installer; (3) engaging in substantial & recurring solicitation of orders for tangible personal property if the seller benefits from banking, financing, debt collection, telecommunication or marketing activities in Alabama or from authorized installation, servicing or repair facilities located in Alabama.

⁶ Connecticut S.B. 417 is a very comprehensive bill which also includes a related party, marketplace facilitator and notification & reporting provision.

⁷ Georgia's law applies to goods delivered both physically (e.g., product shipped via common carrier into the state) or delivered electronically (e.g., software, e-books).

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Hawaii	S.B. 2514	Gross income from sales of TPP, intangibles or services of \$100,000 or more in prior or current calendar year	200 or more separate transactions for the sale of goods, intangibles or services	Either sales OR transactions - only requires 1 threshold exceeded	July 1 2018	NO	On 7/10/2018, the Hawaii Dept of Taxation issued an amended Hawaii Announcement 2018-10 - Amended noting it would not impose retroactive application of the law. ⁸
Illinois	HB 3342 ⁹	Gross receipts from sales of TPP of \$100,000 or more in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	Oct 1 2018	YES	Seller must determine at the end of each calendar quarter whether they exceeded either economic nexus thresholds in the prior 12-month period.
Indiana	HB 1129	Gross revenue from sales of TPP ¹⁰ or services of <i>more than</i> \$100,000 in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	Pending ¹¹	YES	Indiana's law uses the same economic thresholds as South Dakota's law. See the Indiana DOR webpage on <i>South Dakota v. Wayfair</i> for FAQs and updates.
Iowa	S.F. 2417 ¹²	Gross revenues from sales of goods or services of \$100,000 or more in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	Jan 1 2019	NO	More information can be found at the following Iowa DOR Bulletin .

⁸ The Amended Announcement overrides Hawaii's initial Announcement (issued 6/27/2018) which said some taxpayers might owe the Hawaii General Excise Tax for the first six months of 2018.

⁹ The economic threshold provisions are at page 473 of the Illinois bill.

¹⁰ Indiana's law applies to goods delivered both physically (e.g., product shipped via common carrier into the state) or electronically (e.g., software, e-books)

¹¹ Although the original effective date of Indiana's law was July 1, 2017, the Indiana DOR is currently prohibited from enforcing its law until a pending declaratory judgment action is resolved. Indiana has indicated it will not enforce its law retroactively.

¹² Iowa S.F. 2417 is a comprehensive bill which also includes a marketplace facilitator, content distribution network (CDN) and "cookie" nexus provision. The economic thresholds provisions are at page 93 of the Iowa bill.

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Kentucky	H.B. 487	Sales of TPP or digital property ¹³ of <i>more than \$100,000</i> in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	July 1 2018	YES	Kentucky's law uses the same economic thresholds as South Dakota's law. Also see Kentucky Ruling on the U.S. Supreme Court Decision in <i>South Dakota v Wayfair</i> .
Louisiana	H.B. 17	Sales of TPP, digital products or services of <i>more than \$100,000</i> in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	June 21 2018	NO	Louisiana's law uses the same economic thresholds as South Dakota's law.
Maine	LD 1405	Sales of TPP ¹⁴ or services of <i>more than \$100,000</i> in prior or current calendar	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold exceeded	Pending ¹⁵	NO	Maines' law uses the same economic thresholds as South Dakota's law.
Massachusetts	Reg. 830 CMR 64H.1.7	Sales into MA of \$500,000 or more in prior or current taxable year	100 or more separate transactions	Both sales AND transactions thresholds must be met	Oct 1 2017	YES¹⁶	In a press release issued on June 22, 2018, the Massachusetts DOR indicated that its economic nexus regulation continues to apply and is not impacted by the <i>Wayfair</i> decision.

¹³ Includes digital property delivered or transferred electronically.

¹⁴ Maine's law applies to goods delivered both physically (e.g., product shipped via common carrier into the state) or electronically/digitally (e.g., software, e-books) and taxable services.

¹⁵ Although the original effective date of Maine's law was Oct 1, 2017, Maine Revenue Services is currently prohibited from enforcing its law a pending declaratory judgment action is resolved. Maine has indicated it will not enforce its law retroactively.

¹⁶ In early 2017, Amazon turned over specific, identifying information to the Massachusetts DOR in response to a valid and binding legal demand from the Massachusetts DOR. For more on this development, see our article at SalesTaxSupport: "[Amazon Exposes FBA Sellers in Massachusetts: 5 Key Considerations](#)"

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Mississippi	Rule 35.4.03.09	Sales into MI of <i>more than</i> \$250,000 in prior or current calendar year	None	Sales plus other criteria must be met (see Additional Comments)	Dec 1 2017	NO	In addition to meeting both the sales threshold, a remote seller must also “purposefully or systematically” exploit the Mississippi market.
North Dakota	SB 2298	Sales of TPP or other taxable items of \$100,000 or <i>more</i> in prior or current calendar year	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	June 21 2018 (see Additional Comment)	NO	North Dakotas law uses the same thresholds as South Dakota’s law. Effective date was contingent on date SCOTUS overturned <i>Quill</i> .
Ohio	H.B. 49 ¹⁷	Gross receipts of <i>more than</i> \$500,000 in the prior or current calendar year	None	Sales plus other criteria must be met (see Additional Comment)	Jan 1 2018	YES	In addition to meeting the gross receipts threshold, a remote seller must use in-state software (including “cookies”) or a CDN ¹⁸ in Ohio to be subject to the economic nexus law.
Oklahoma	H.B. 1019	Sales of TPP of \$10,000 or more during the prior 12- month period	None	See Additional Comment	Apr 10 2018	NO	A remote seller that meets the \$10,000 threshold must either register to collect or comply with Oklahoma’s notification & reporting provision. ¹⁹

¹⁷ Ohio H.B. 49 is a very comprehensive bill. The economic nexus provisions can be found at pages 2,305 – 2,307.

¹⁸ A CDN is a “content delivery network” such as a system of distributed services that delivers web sites and other web content to Ohio users.

¹⁹ Several states have enacted laws which give the out-of-state seller (that exceeds the sales threshold) a choice of either registering to collect, report and remit sales tax OR comply with the state’s notification & reporting provision. Even though the notification & reporting provisions do not require an on-out-state seller to register, report and remit sales tax, the notification & reporting laws impose added burdens on the out-of-state seller making it almost easier for the seller to register, collect and remit.

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Pennsylvania	H.B. 542	Sales of TPP of \$10,000 or more during the prior 12- month period	None	See Additional Comment	Apr 1 2018	YES	Remote sellers ²⁰ with aggregate sales of \$10,000 or more in the prior 12-month period must elect to collect and remit Pennsylvania sales tax or comply with the notice and reporting requirements.
Rhode Island	HB 5175	Gross revenue from the sale of TPP, software ²¹ or has taxable services of \$100,000 or more	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	Aug 17 2017	NO ²²	Non-collecting retailers must either register, collect and remit sales/use tax on all RI taxable sales or comply with notification & reporting provisions. ²³ Also see this Rhode Island FAQ .
South Dakota	S.B. 106	Sales of TPP ²⁴ or services of <i>more than</i> \$100,000 in prior or current calendar	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	Pending ²⁵	NO	The first state in the country to enact economic nexus for sales tax, the law in question in <i>South Dakota v. Wayfair</i> . Also see the South Dakota press release and the South Dakota webpage for remote sellers .

²⁰ Pennsylvania's law also applies to marketplace facilitators and "referrers." Effective April 1, 2018, Amazon began collecting, remitting and reporting Pennsylvania sales tax on behalf of its third-party sellers in order for Amazon to be in compliance with Pennsylvania's new marketplace facilitator law.

²¹ Applies to pre-written software delivered via electronically or by load and leave.

²² Even though there are currently no Amazon Fulfillment Centers in Rhode Island, in early 2018 Amazon agreed to turn over third-party marketplace seller information to Rhode Island in compliance with the new law. Non-collecting retailers that sell on Amazon and meet the economic nexus thresholds should consider registering asap.

²³ Rhode Island's law is a very comprehensive bill which include economic, affiliate, click-through, warehouse, and marketplace provider nexus provisions.

²⁴ Maine's law applies to goods delivered both physically (e.g., product shipped via common carrier into the state) or delivered electronically/digitally (e.g., software, e-books) and taxable services

²⁵ South Dakota's law had an original effective date of May 1, 2016; however, the South Dakota DOR has been precluded from enforcing its law due to the *Wayfair* litigation. Even though the U.S. Supreme Court ruled in favor of South Dakota, the injunction (against enforcement) that was placed on the law by a South Dakota Circuit Court is still in place which means the South Dakota law cannot be enforced until the injunction is lifted. The South Dakota DOR has indicated in updates that it will be August-September before the injunction is lifted. The South Dakota law will only be enforced prospectively.

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Tennessee	Rule 1320-06-01-129 (Rule 129)	Sales of TPP or services of <i>more than \$500,000</i> during any calendar year	None	Sales threshold plus other criteria must be met (see Additional Comments)	Pending ²⁶	YES	Seller must also engage in regular or systematic solicitation of TN consumers through any means in addition to having more than \$500K in sales.
Vermont	H.B. 873 ²⁷	Sales of \$100,000 or more in prior 12-month period	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	July 1 2018 ²⁸	NO	Seller must also engage in regular, systematic, or seasonal solicitation of sales of TPP (including via internet, etc.) in addition to meeting one of the economic thresholds. Also see Vermont's Wayfair webpage .
Washington	H.B. 2163	Retail sales of TPP of \$10,000 or more during the prior 12-month period	None	See Additional Comment	Jan 1 2018	YES ²⁹	Remote sellers ³⁰ with aggregate retail sales of \$10,000 or more in the prior 12-month period must either collect and remit Washington sales tax or comply with notice and reporting requirements. See more Washington's Marketplace Fairness webpage .

²⁶ Tennessee's law was originally effective on July 1, 2017; however, the Tennessee DOR cannot enforce its law due to litigation and until the *Wayfair* decision was decided.

²⁷ Vermont H.B. 873 also includes a notification & reporting provision.

²⁸ Vermont's law was originally enacted in 2016 and had a contingent effective date which would be the later of July 1, 2017 or the date the physical presence requirement in *Quill* was abolished. The Vermont Department of Taxes has announced in its *Wayfair* [webpage](#) that its economic nexus provisions became effective July 1, 2018 and out-of-state vendors who meet either economic nexus threshold should register for a Vermont sales tax license.

²⁹ Effective January 1, 2018, Amazon began collecting, remitting and reporting Washington sales tax on behalf of its third-party sellers in order for Amazon to be in compliance with Washington's new marketplace facilitator law. However, out-of-state sellers are still liable for remitting the Washington B&O Tax.

³⁰ Washington's law also applies to marketplace facilitators and "referrers" As noted in Note 29, effective Jan 1, 2018, Amazon began collecting, remitting and reporting Washington sales tax on behalf of its third-party sellers.

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Wisconsin	Regulation to be adopted, announced via Wisconsin DOR Notice	Sales of <i>more than \$100,000</i> in prior or current calendar	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	Oct 1 2018	YES	On July 5, 2018, Wisconsin announced it will issue a rule (regulation) that will be consistent with the U.S. Supreme Court's decision in <i>South Dakota v. Wayfair</i> . See this Wisconsin DOR press release , the webpage on Remote Sellers and Wayfair, and this FAQ for more information.
Wyoming	H.B. 119	Gross revenue from sales of TPP, admissions or services of <i>more than \$100,000</i> in prior or current year.	200 or more separate transactions	Either sales OR transactions - only requires 1 threshold	Pending ³¹	NO	Wyoming's law uses the same economic thresholds as South Dakota's law. Also see Wyoming's statement on the <i>Wayfair</i> at this webpage .

³¹ Wyoming's law had an original effective date of July 1, 2017 however, due to pending litigation, the Wyoming law cannot yet be enforced.

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ABOUT OUR ECONOMIC NEXUS CHART

This chart was prepared by [PrietoDion Consulting Partners LLC](#) as an informative guide for PrietoDion Consulting clients and colleagues. In compiling this chart, we have personally read and reviewed every piece of state legislation to provide the most accurate information possible regarding the specific economic nexus provisions. We also reviewed all state revenue agency websites (Department of Revenue, Department of Taxation, etc.) for announcements, updates, FAQs and other relevant guidance published by the states. Throughout the chart, you will note that state legislative bills, press releases, FAQs, etc. are hyperlinked (in blue, underlined font). Clicking on the associated hyperlinked text will take you directly to the source document.

USE OF THIS CHART

While we worked hard to produce this chart for our clients and colleagues, we recognize our chart may be distributed to other interested parties. If you wish to share this economic nexus chart, we ask that you attribute the source of this chart to [PrietoDion Consulting Partners LLC](#), a SALT advisory firm or to [Sylvia Dion, CPA](#), Founder & Managing Partner of [PrietoDion Consulting Partners LLC](#), a SALT Advisory firm. Note also that states are reacting rapidly and almost daily as to how they will address the impact of the *Wayfair* decision on their laws, how or when they will begin enforcing their laws, etc. For instance, on 6/27/2018 the Hawaii Department of Taxation announced it would apply its law retroactively and that some taxpayers might owe the Hawaii GET for the first six months of 2018. However, on 7/10/2018, the Department issued an amended announcement noting it would not impose retroactive application after all (see Chart, pg 2). Therefore, we'll be posting updates to this chart as states issue new guidance or as additional states adopt economic nexus. We'll also be writing new blog articles on these developments at [SalesTaxSupport.com](#). *Please let us know if you'd like to be added to our distribution list.*

DISCLAIMER

Please note also that this chart is not intended to be legal or tax advice. Impacted businesses should seek the guidance of a qualified legal, accounting and/or tax professional to determine the impact of these laws on their requirement to register, collect, report and remit sales tax in any of the economic nexus states. *We would be happy to schedule a consultation to discuss how these laws may impact your business (see our contact information below).*

ABOUT PRIETODION CONSULTING PARTNERS LLC

[PrietoDion Consulting Partners LLC](#) is a Tax Consulting firm specializing in advising U.S. and International businesses with complying with their State & Local Tax (SALT) obligations. With extensive knowledge in e-Commerce taxation, PrietoDion is a top choice for U.S. and International online sellers who wish to understand how the U.S. sales tax laws impact their online business. In addition to serving e-Commerce clients, PrietoDion also specializes in the software, technology and manufacturing industries. Based in Westford, Massachusetts, PrietoDion has broad experience guiding U.S. and international businesses with understanding their state tax nexus, registration and filing requirements in all areas of multistate taxation including sales & use, corporate income, franchise, gross receipts and payroll tax. PrietoDion's services include nexus evaluations, state registration assistance, sales tax compliance (filing) services, Voluntary Disclosure representation, state audit assistance, state tax research and analysis, consultations for international sellers on legal entity structure and treaty implications.

If you'd like to know more about PrietoDion Consulting Partners and our capabilities, please contact Sylvia Dion at 978-846-1641 or sylviadion@prietodiontax.com