

APPENDIX E

LIBRARY OF TAX ADMINISTRATION PRACTICES

Disclosed Practice 8.1.j. - When does the State require a Remote Seller to register and begin collecting and remitting the applicable tax? – Only one answer should be yes.

Background:

Generally, if the economic nexus threshold was not reached in the previous calendar year but is reached part way through the current calendar year, the seller is required to register and begin collecting and remitting the tax on transactions and sales that occur after the threshold is met for the remaining part of the current calendar year. The seller is not responsible for collecting and remitting the tax on transactions that occurred prior to meeting the economic nexus threshold. Some states allow a grace period for requiring the registration and collection of the tax once the threshold is met.

Best Practice: A Remote Seller is required to register and begin collecting and remitting the tax no later than the first day of the first calendar month that begins at least 60 days after meeting or exceeding the state's threshold.

8.1.j.i. The State requires a **Remote Seller** to register and begin collecting and remitting the tax on the next transaction after meeting or exceeding the threshold.

8.1.j.ii. The State requires a **Remote Seller** to register and begin collecting and remitting the tax **no later than the first day of the first calendar month that begins at least X days** after meeting or exceeding the threshold. The State will indicate in the Comment column the number of days after the threshold is met that the seller is required to register and begin collecting and remitting the tax.

Example 1:

If a State indicates X = 30 days and the seller reaches the threshold on May 28, the seller is required to register and begin collecting July 1.

Example 2:

If a State indicates X = 60 days and the seller reaches the threshold on May 28, the seller is required to register and begin collecting August 1.

8.1.j.iii. Other. If the State's answer to j.i and j.ii is "no" indicate in the Comment column when a **Remote Seller** must register and begin collecting and remitting the tax.