

**A motion by Nebraska to amend Appendix E to adopt Best Practice for Disclosed Practice 8.1.j.**

**APPENDIX E**

**LIBRARY OF TAX ADMINISTRATION PRACTICES**

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**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.

**A Remote seller who has met the economic nexus threshold in a state but has not made any taxable sales into that state, should review DP 8.1.n for exceptions.**

**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: The state does not require a Remote Seller to register and begin collecting and remitting the tax sooner than the first day of the first calendar month that begins 30 days after meeting or exceeding the state's threshold.**

**Note: Reason for Best Practice- 1) It may take a state 30 days or more to provide a newly registered seller with the ID number required to authorize the collection of tax and the ability to create a reporting/payment account; 2) It gives sellers time to prepare and get systems in place to collect the tax; 3) If the seller engages a CSP, the CSP will generally require a 1<sup>st</sup> of the month start date.**

**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:**

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.

**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.