**Sales and Use Tax Update**

The US Supreme Court recently sided with the State of South Dakota against Wayfair Inc. changing the long held Quill decision and the way that nexus is defined for collecting state sales tax. Certainly there will be more information on the application of this change going forward but businesses selling goods or services in multiple states need to be aware of this ruling. Businesses will want to consider how this ruling affects their specific set of facts and circumstances.

The US Supreme Court described the Quill standard, where a physical presence is needed to create nexus, as unsound and incorrect. In South Dakota, the ruling affirmed that nexus for sales tax purposes was created if the seller, Wayfair in this case, delivered more than $100,000 of goods or services into the state or engaged in 200 or more separate transactions for the delivery of goods or services into the state. No physical presence was needed to create the nexus.

Sales and use tax requirements vary from state to state and can become very complex. If your business sells products or services in multiple states, this merits your attention. If we can be of assistance, please contact our office for more information.

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***Treasury Circular 230 Disclosures***

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