

Are Remote Sellers Required to Register With the State if The Seller Only Makes Exempt Sales?



Are Remote Sellers Required to Register With the State if The Seller Only Makes Exempt Sales?

STATE	CATEGORY	ANSWER	EXPLANATION
Alabama	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Alabama's economic nexus law applies when remote sellers make retail sales that exceed the minimum threshold (\$250,000 per year). "Retail sale" means all sales that are not "wholesale sales" so exempt sales qualify as "retail sales."
Alaska	Economic Nexus	N/A	Alaska does not have a state-level sales tax, so this answer is not addressed.
Arizona	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make non-taxable wholesale sales. Arizona requires remote sellers to register with the state if they meet the economic nexus threshold. A remote seller has economic nexus if in the previous year, or current year, the gross sales generated from direct sales into Arizona is more than the threshold amount. "Gross sales" refers to retail sales in the state. TTR has confirmed via phone call with the state that a vendor who meets the threshold must register even when all sales are exempt.
Arkansas	Economic Nexus	No	Remote sellers are not required to register with the state if they only make exempt sales. Arkansas's economic nexus rule applies when sellers make taxable sales that exceed the minimum threshold (\$100,000 or 200 transactions per year).
California	Economic Nexus	Yes	Yes. California requires remote sellers to register with the state to collect and pay use tax if the seller is a retailer, and makes sales into California exceeding \$500,000. "Retailer" means every seller who makes any retail sales of tangible personal property. "Retail sale" means a sale for a purpose other than resale in the regular course of business in the form of tangible personal property. The definition of "retail sale" excludes sales for resale, but does not exclude exempt sales. As a result, sellers that only make exempt sales are required to register if they make sales into California exceeding \$500,000.
Colorado	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Colorado's economic nexus rule applies when remote sellers have \$100,000 or more in "retail sales" during the current or previous calendar year. The state defines "retail sale" to include all sales of goods or services except wholesale sales.
Connecticut	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Connecticut's economic nexus law applies when remote sellers make retail sales that meet the minimum threshold (\$100,000 per year and 200 individual retail sales). "Retail sale" means all sales that are not "wholesale sales" so exempt sales qualify as "retail sales."
Delaware	Economic Nexus	N/A	Delaware does not have a state-level sales tax, so this answer is not addressed.
District of Columbia	Economic Nexus	Yes	Yes. The District of Columbia requires remote sellers to collect tax when they make retail sales into the state that exceed \$100,000 or 200 separate transactions in the current or preceding calendar year. It is irrelevant if the sale is otherwise exempt if it meets the definition of retail sale.
Florida	Economic Nexus	N/A	Florida does not have an economic nexus rule.
Georgia	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Georgia's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. Georgia has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability.
Hawaii	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Hawaii's economic nexus rule applies when remote sellers have \$100,000 or more in "gross income" or "gross proceeds" or make 200 or more transactions during the current or previous calendar year. There is no exclusion for exempt sales.
Idaho	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Idaho's economic nexus rule applies when sellers make sales that exceed the minimum threshold (\$100,000 per year). "Sale" means any transfer of title, exchange, or barter of tangible personal property for payment, so "sales" include exempt sales.
Illinois	Economic Nexus	No	Remote sellers are not required to register with the state if they only make exempt sales. Economic nexus rules do not apply to "retailers who exclusively make nontaxable sales."
Indiana	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Indiana's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. Indiana has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability.

Are Remote Sellers Required to Register With the State if The Seller Only Makes Exempt Sales?

STATE	CATEGORY	ANSWER	EXPLANATION
Iowa	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Iowa's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" during the current or previous calendar year. "Gross revenue" means all revenue from Iowa sales, regardless of taxability.
Kansas	Economic Nexus	No	Remote sellers would not need to register with the state for making exempt sales. Kansas's laws state that a seller has nexus if it has "any other contact" that would allow Kansas to require the seller to remit tax under the U.S. Constitution. Kansas has interpreted this to mean that remote sellers have nexus if they make any taxable sale into the state. If the remote seller makes even a single taxable sale, then it must register to collect and pay tax, even if the remote seller mainly makes exempt sales. Note that the Kansas Attorney General has released an opinion stating that this policy is not supported by law. The opinion has no legal force, but is noteworthy since it says the policy is likely invalid without the support of a statute or regulation.
Kentucky	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Kentucky's economic nexus rule applies when remote sellers have \$100,000 or more in "gross receipts" or make 200 or more transactions during the current or previous calendar year. Kentucky has not defined "gross receipts" but "gross" typically indicates "all" sales without regard to taxability.
Louisiana	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Louisiana requires a remote seller to register when its sales into the state exceed a threshold in the current calendar year or the preceding calendar year. The thresholds are: ¹ more than \$100,000 in "gross revenue" or ² at least 200 separate transactions. Louisiana has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability, including exempt sales.
Maine	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Maine's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. Maine has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability.
Maryland	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Maryland requires sellers to register if they meet the minimum threshold (exceeds \$100,000 in sales or makes 200 transactions). This is true regardless of whether the sales are taxable.
Massachusetts	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Massachusetts' economic nexus rule applies when remote sellers have \$100,000 in sales during the prior or current taxable year. "Sales" includes all sales regardless of whether the sale is taxable.
Michigan	Economic Nexus	Yes	Remote sellers are likely required to register with the state if they only make exempt sales. Michigan has published guidance regarding remote sellers that says a seller has nexus with Michigan if it meets the minimum threshold (\$100,000 in sales or 200 transactions). It states that both taxable and non-taxable sales should be used to determine whether the seller has met those minimum thresholds. Michigan has older guidance stating that it does not issue sales tax licenses to wholesalers. This indicates that those who make only exempt or wholesale sales are not required to register. Due to this conflicting guidance we have taken the conservative position that remote sellers must register even if the seller makes only exempt or wholesale sales.
Minnesota	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Minnesota's economic nexus law applies when remote sellers make retail sales that meet the minimum threshold (100 individual sales or 10 individual sales exceeding \$100,000). "Retail sale" means all sales that are not "wholesale sales" so exempt sales qualify as "retail sales."
Mississippi	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Mississippi has published guidance regarding remote sellers that says a seller has nexus with Mississippi if it meets the minimum threshold (\$250,000 in sales). It states that both taxable and non-taxable sales should be used to determine whether the seller has met that minimum thresholds. Mississippi has older guidance stating that wholesalers are not required to register with the state. This indicates that those who make only exempt or wholesale sales are not required to register. Due to this conflicting guidance we have taken the conservative position that remote sellers must register even if the seller makes only exempt or wholesale sales.
Missouri	Economic Nexus	N/A	Missouri does not have an economic nexus rule.
Montana	Economic Nexus	N/A	Montana does not have a state-level sales tax, so this answer is not addressed.

Are Remote Sellers Required to Register With the State if The Seller Only Makes Exempt Sales?

STATE	CATEGORY	ANSWER	EXPLANATION
Nebraska	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Nebraska's economic nexus rule applies to remote sellers who have \$100,000 or more in total retail sales of property or make 200 or more retail sales in a year. Nebraska defines retail sales as any sale, lease, or rental for any purpose other than for resale, sublease, or subrent. Exempt sales qualify as retail sales.
Nevada	Economic Nexus	Yes	Nevada provides limited guidance on economic nexus. However, the available guidance does not exclude those selling exempt property from the registration requirement.
New Hampshire	Economic Nexus	N/A	New Hampshire does not have a state-level sales tax, so this answer is not addressed.
New Jersey	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. New Jersey's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. New Jersey has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability. Note that remote sellers must register when they meet the economic thresholds discussed above, but can request to be placed on a non-reporting basis if they only make wholesale or nontaxable sales.
New Mexico	Economic Nexus	No	Remote sellers are not required to register with the state if they only make exempt sales. Remote sellers are required to collect tax if the seller's total taxable gross receipts from the previous calendar year exceed \$100,000. Exempt sales do not count towards "total taxable gross receipts."
New York	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales of tangible personal property. New York's economic nexus law applies when remote sellers make sales of tangible personal property that exceed the minimum thresholds (\$500,000 per year and 100 separate transactions). An exempt sale of tangible personal property is a sale of tangible personal property, so it counts towards the threshold calculation.
North Carolina	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. North Carolina's economic nexus rule applies when remote sellers have \$100,000 or more in gross sales or make 200 or more transactions in the state during the current or previous calendar year. There is no exclusion for exempt sales.
North Dakota	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. North Dakota's economic nexus rule applies when remote sellers have \$100,000 or more in "gross sales of tangible personal property" during the current or previous calendar year. North Dakota has not defined "gross sales" but "gross" typically indicates "all" sales without regard to taxability.
Ohio	Economic Nexus	Yes	Yes. Remote sellers are required to register with the state if they only make exempt sales. Ohio requires remote sellers to register if the seller's gross receipts from Ohio sales are greater than \$100,000 or if the seller has at least 200 Ohio transactions in a year. There are no exclusions for exempt sales.
Oklahoma	Economic Nexus	No	Remote sellers are not required to register with the state if they make only exempt sales. Oklahoma's economic nexus threshold (\$100,000 during the previous 12 month period) only applies to taxable sales.
Oregon	Economic Nexus	N/A	Oregon does not have a state-level sales tax, so this answer is not addressed.
Pennsylvania	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Pennsylvania's economic nexus rule applies when remote sellers have \$100,000 or more in "gross sales." Pennsylvania has not defined "gross sales" but "gross" typically indicates "all" sales without regard to taxability. Note that a remote seller's gross sales include their direct sales and sales made through a facilitator that does not collect sales tax on the seller's behalf.
Rhode Island	Economic Nexus	Yes	Remote sellers are required to register with the state if they make only exempt sales. Rhode Island's economic nexus threshold (\$100,000 or 200 transactions during the previous calendar year) applies to the gross revenue from sales of tangible personal property, prewritten computer software, and taxable services. Exempt sales of tangible personal property and computer software count towards the gross revenue threshold of \$100,000.
South Carolina	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. South Carolina requires sellers to register if they exceed the minimum threshold (\$100,000 in gross revenue for the current or previous calendar year). This is true regardless of whether the sales are taxable.

Are Remote Sellers Required to Register With the State if The Seller Only Makes Exempt Sales?

STATE	CATEGORY	ANSWER	EXPLANATION
South Dakota	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. South Dakota's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. South Dakota has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability.
Tennessee	Economic Nexus	Yes	Yes, Tennessee remote sellers must register if they only make exempt sales. Remote sellers must register to collect sales and use tax if they make sales into the state exceeding \$100,000 during the previous 12 months. The \$100,000 threshold includes exempt sales.
Texas	Economic Nexus	Yes	Texas requires remote sellers to register with the state if the seller only makes exempt sales. Retailers have to register to collect and pay sales and use tax if their "total Texas revenue" is \$500,000 or more from sales of tangible personal property and services in the prior 12 calendar months. "Total Texas revenue" includes the gross revenue from taxable, nontaxable, and exempt sales of tangible personal property and services for storage, use, or other consumption. It also includes separately stated handling, transportation, installation, and other similar fees collected by the seller in connection with the sales.
Utah	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Utah's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. Utah has not defined "gross revenue" but "gross" typically indicates "all" sales without regard to taxability.
Vermont	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Vermont's economic nexus rule applies when remote sellers have \$100,000 or more in sales or 200 or more transactions during the prior 12-month period. This is true regardless of whether the sales are taxable.
Virginia	Economic Nexus	Yes	Yes. Virginia requires remote sellers or marketplace facilitators to register with the state to collect and pay sales and use tax if the seller or facilitator makes ¹ \$100,000 or more in gross retail sales, or ² 200 or more separate transactions in the state in the current or previous year. "Retail sale" means a sale for a purpose other than resale. The definition of "retail sale" excludes sales for resale, but does not exclude exempt sales. As a result, sellers or facilitators that only make exempt sales are required to register if they make sales into Virginia exceeding \$100,000 or 200 transactions.
Washington	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Washington's economic nexus rule applies when remote sellers have gross income that exceeds the minimum threshold of \$100,000 in sales per year.
West Virginia	Economic Nexus	No	Remote sellers are not required to register with the state if they make only non-taxable sales.
Wisconsin	Economic Nexus	No	Remote sellers are not required to register with the state if they only make nontaxable sales. Note, however, that nontaxable sales do count toward the \$100,000 economic nexus threshold if the seller also makes taxable sales.
Wyoming	Economic Nexus	Yes	Remote sellers are required to register with the state if they only make exempt sales. Wyoming's economic nexus rule applies when remote sellers have \$100,000 or more in "gross revenue" or make 200 or more transactions during the current or previous calendar year. Guidance from the Department of Revenue says that exempt sales count towards gross revenue.