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631-491-1500

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New York is Taking Advantage of the Supreme Court's Decision



It's official! New York State has taken a position on economic nexus in response to the United States Supreme Court ruling in *South Dakota v. Wayfair*. If you have read our previous newsletters, or you like hearing about sales tax, you would have learned that the Supreme Court admitted to making a mistake. In 1992, it was decided in *Quill Corp. v. North Dakota* that a taxpayer must have a physical presence in a State before it is required to follow that State's sales tax rules. In essence, no physical presence = no sales tax charged to customers.

Just last year, the Supreme Court reversed its decision and said that no physical presence is required. A taxpayer can have an economic presence in a State and be required to follow that State's sales tax rules. New York, like many other states, is taking advantage of the Supreme Court's 1992 mistake.

As of January 2019, New York requires that businesses collect and remit sales tax on tangible personal property sold to customers in the State if the business satisfies the following criteria:

- Made more than \$300,000 in sales of tangible personal property delivered in the state;
- AND
- Conducted more than 100 sales transactions into the state;
- In the immediately preceding four sales tax quarters.

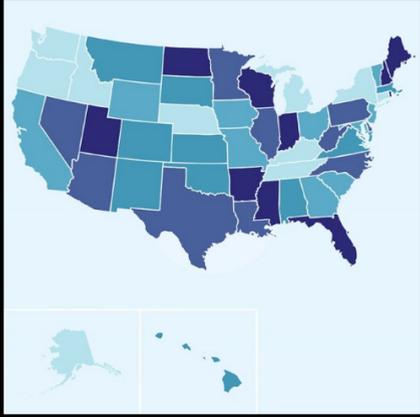
To collect and remit sales tax, a business must first be registered as a sales tax vendor with the New York State Department of Taxation and Finance. Once registered, the Tax Department will mail the business a Certificate of Authority which must be openly displayed at the business location.

Sales tax returns must be prepared and electronically filed. Depending on the amount of sales tax that will be collected, the business will start off as a quarterly filer but may be converted to an annual filer (if it collects little sales tax) or a monthly filer (if it collects a lot of sales tax).

Many states are or have established an economic nexus law and we foresee that at least 40 of the 50 states will have an economic sales tax nexus law in place within the next few years.

If you or your client need guidance on sales tax related to multi-state sales, reach out to Sales Tax Defense! We are here to help!

Multi-State Tax Return Filings



Sales Tax Defense files multi-state sales tax returns for clients! We keep track of how often a sales tax return has to be filed in any particular state, the due date of the return, and we ensure payment is remitted to the State.

For one client in particular, we obtain the necessary sales information each month and file sales tax returns in 43 states and multiple local jurisdictions. We also file and submit sales tax prepayments on behalf of the client in those states that require it, like New York. While we use software to assist in preparing the sales tax returns, the software can only generate returns in approximately half of required jurisdictions and the remaining returns we prepared and file manually.

We save the client the time and trouble of filing in 43 different states and due to our expertise, the client knows it is being done right!

ABOUT THE FIRM



We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with Sales Tax Defense LLC encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, WE ARE THE SOLUTION!

CALL: 631-491-1500

CONTACT US!

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"We really settled.... Gordon and I are blown away. I'm not kidding when I tell you (and I have witnesses – my entire office) that when I hung up the phone I had tears streaming down my face. Thank you!"

Brian Ballone
CFO

MORE TESTIMONIALS

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