



February 2019

631-491-1500

[View Online](#)



[About Us](#) | [Services](#) | [What is Sales Tax](#) | [How We Work](#) | [Success Stories](#) | [Seminars](#) | [FAQS](#)

CAN A CITY IMPOSE AN ECONOMIC NEXUS LAW?





The U.S. Supreme Court ruled in *South Dakota v. Wayfair* that it is constitutional when a *State* imposes an economic nexus law. But the Court said nothing about a city imposing an economic nexus law. So, the question becomes, is it legal?

Nome, Alaska is the first city in the United States to impose an economic nexus law which went into effect on September 1, 2019. Alaska does not have a state sales tax but local jurisdictions are permitted to impose their own local sales tax.

Remote sellers and marketplace facilitators have economic nexus in Nome if in the previous or current calendar year, sales into the city are more than \$100,000 AND more than 100 separate transactions. Nome city ordinance defines a marketplace facilitator as a person who owns or maintains a marketplace and who, in regards to a seller's goods or services, transmits or otherwise communicates an offer or acceptance and:

1. Provides payment processing services;
2. Provides fulfillment or storage services;
3. Sets prices;
4. Brands sales as those of the marketplace facilitator;
5. Takes orders; or
6. Provides customer service or assists with returns or exchanges.

Other Alaskan cities are also interested in imposing such a law. To minimize challenges due to the non-uniform laws, the Alaska Municipal League have established the Alaska Remote Sellers Intergovernmental Agreement. Thus far, 22 local governments have signed onto the agreement. The goal of the agreement is to work towards a state-wide administration of online sales tax

collection.

Alaska just added another layer to economic nexus. What's next? For help with economic nexus, contact Sales Tax Defense.

SUCCESS STORY



Sales for Resale – What's so Hard to Understand

Sales Tax Defense LLC represented a company that was a subcontractor and provided repair and maintenance services to the prime contractor. The prime contractor then resold the repair and maintenance services to a government entity. One would think that this was a simple sales for resale. No sales tax would be due on the subcontractor's sales to the prime contractor.

The subcontractor was audited for sales tax. The New York State Department of Taxation

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.

and Finance refused to accept that the subcontractor's sales were for resale and issued a very large assessment. The State then audited the prime contractor and assessed use tax due on sales from the subcontractor.

Sales Tax Defense represented both the subcontractor and prime contractor. We petitioned for an Administrative Law Judge hearing. We lined up witnesses from both companies and a witness from the government entity. We collected exhibits to show the true nature of the sale for resale. Less than a week before the trial, the State agreed to our position and settled the case. Sometimes it just takes perseverance...and having the law on your side!

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

CALL: 631-491-1500

CONTACT US!

“

"I can't thank you enough for the hard work you and your staff put in to helping me out of the deep tax issue I was saddled with. With the settlement now fulfilled I am able to live life with a lot less stress and move towards financial stability."

- *Daniel C.*

MORE TESTIMONIALS

Phone: 631-491-1500
673 Deer Park Avenue
Dix Hills, NY 11746



This newsletter is not intended to be used as tax, legal or accounting advice.

[Unsubscribe](#)

© Sales Tax Defense LLC