

# U.S. Sales Tax Checklist

To help identify if you have to pay sales tax in a particular state. Please fill out the following checklist and return it back to us with your information attached.

General Information	Details
<b>A .Name of Corporation</b>	_____ _____
<b>B. Articles of Incorporation</b>	_____ _____ _____
<b>C. EIN Number</b>	_____
<b>D. Company Start &amp; End Date</b>	Start Date (MM/DD/YY): _____ End Date (MM/DD/YY): _____
<b>E. List Principal Products &amp; Services</b>	_____ _____ _____ _____ _____ _____
<b>F. List Online Channels Used for Selling</b>	_____ _____ _____ _____ _____ _____
<b>G. What States Are You Registered to do Business In?</b>	_____ _____ _____ _____ _____ _____

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<p><b>H. Where is your nexus (physical presence) located?</b></p>	<hr/> <hr/> <hr/> <hr/> <hr/> <p>Please indicate Yes or No to the following questions: <span style="float: right;"><b>YES</b>    <b>NO</b></span></p> <ol style="list-style-type: none"> <li>1. <b>Inventory:</b> You are keeping a "stock of goods" in a warehouse in a state. This point can be tricky for those who sell through Amazon Fulfillment Centers or by a third-party where inventory is stored around the country.</li> <li>2. <b>Personnel:</b> You have employees, contractors, sales personnel, or installers.</li> <li>3. <b>Drop Shipping:</b> You have distributors ship items directly to your customers; this means you are in a drop shipping relationship. Depending on the terms of the relationship, you may be on the hook for sales tax.</li> <li>4. <b>Affiliates:</b> You have a third-party affiliate who sends referrals to your store in exchange for a cut of the proceeds (this may create sales tax nexus in some states).</li> <li>5. <b>Temporarily Doing Business:</b> Every state is different, but in some states if you are attending a trade show, craft fair, or otherwise doing business temporarily could make you liable for sales tax for the entire year.</li> <li>6. <b>Affiliate Nexus:</b> Any seller who does not have a physical presence in this state shall remit sales or use tax, if the seller meets either:             <ol style="list-style-type: none"> <li>(a) gross sales from the sale of taxable items delivered in this state exceed \$100,000; or</li> <li>(b) the seller sold taxable items for delivery in this state in 200 or more separate transactions</li> </ol> </li> </ol>
<p><b>I. Sales Tax &amp; Business License Number</b></p>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

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<p><b>J. How long have you been collecting Sales Tax? Please list the tax rates you are using.</b></p>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
<p><b>K: Origin-Based States or Destination-Based States?</b></p>	<p><b>Are you operating in an Origin-Based state?</b></p> <p>This is where sales tax is collected based on the seller's location. As a business owner, that means you collect sales tax based on your state and local tax rates. You also remit the tax to your home state and locality.</p> <p style="text-align: center;"><b><i>Origin State = Seller Location's Tax Rate</i></b></p> <p>For example, if you operate your business from Virginia. Since your state is origin based, you will collect origin-based sales tax at the Virginia rate and your local tax rate.</p> <hr/> <hr/> <hr/> <hr/> <p><b>Are you operating in a Destination-Based state?</b></p> <p>This is where sales tax is collected based on the buyer's location. That means you collect sales tax based on your customer's state and local tax rates. Also, you remit the tax to your customer's state and locality.</p> <p style="text-align: center;"><b><i>Destination State = Buyer Location's Tax Rate</i></b></p> <p>For example, if you operate an online business from Maryland and sell a product to a customer in a different part of the state. You will collect destination-based sales tax at the customer's local and state tax rate since the state is destination based.</p> <hr/> <hr/> <hr/> <hr/>