COMPANION MATERIAL

Sales Tax Registration

Who registers, who does not, and what happens after the permit arrives

Corporatee

A US business formation firm. We register companies and we see what happens next.

What this guide is

This is the long version of sections 9.2 and 9.3 of **LLC Beginner's Guide 2026**. The book answers the question that decides everything, whether you are the seller of record or a marketplace is. This guide walks the three cases end to end, adds the two business types the channel cases do not cover, services and real estate, and carries the full threshold table.

Thresholds were checked on 14 August 2026 against each state's own revenue department, and against the statute wherever the two did not say the same thing. The marketplace sourcing rows were re-read on 18 August 2026. One row still disagrees with what its own agency publishes, and it is marked.

INSIDE

SECTION 1

The question that decides everything

Everything in this guide runs off one question, and it is not how much you sold. **Are you the seller of record, or is a marketplace?** Get that wrong and every answer after it is wrong too.

Every state with a sales tax now has a marketplace facilitator law. Sell through Amazon, Walmart, Etsy, or eBay and the platform is legally the collecting party. It charges the tax, it remits the tax, and those sales stay off your return entirely.

Shopify is not a marketplace. Neither is WooCommerce or BigCommerce. They are checkout software for a store that is yours, and your own storefront checkout is not facilitated, because a facilitator is a platform where many third-party sellers list to a shared audience, not a tool that runs one merchant's own site. One caveat on Shopify specifically: its Shop channel is a marketplace and Shopify registers as a facilitator for it, so orders through Shop are collected and remitted by Shopify while orders through your own domain are yours. Same company, two different answers.

Your channel	Who is the seller of record	Who charges and remits the tax
Amazon, Walmart, Etsy, eBay	the platform	the platform, under its own registration
Shopify, WooCommerce, BigCommerce, your own checkout	you	you, once you have nexus in the state
Both at once	split by channel	split by channel, and the threshold arithmetic depends on the state

Three cases follow, and between them they cover almost everyone selling online. Read the one that matches your channels, then read section 6, because four states break the pattern.

SECTION 2

Case one: a marketplace is your only channel

You sell on Amazon, Walmart, Etsy or eBay, and nowhere else. No own site, no wholesale, no in-person sales.

Who is the seller of record

The platform. It charges the tax at checkout, it remits it under its own registration, and none of that revenue lands on a return of yours.

Whether you register

If a tax-collecting marketplace is your only sales channel, **most states do not want you to register at all.** That is not a loophole or an interpretation. It is what the revenue departments say on their own pages:

> ***Arizona:*** *no TPT license is required if you only sell through a marketplace facilitator.*
>
> ***Colorado:*** *a marketplace seller that only sells through one or more marketplaces operated by a facilitator is not required to obtain a Colorado sales tax license.*
>
> ***Ohio:*** *if the marketplace collects and pays the tax for you, you do not collect it.*

> ***Virginia:*** *if all your Virginia sales run through a facilitator's platform, you are a marketplace seller and do not need to register.*
>
> ***Illinois:*** *sales made through a facilitator that has certified it is the responsible retailer are left out of the remote retailer threshold, so a seller who sells only that way never reaches it.*

California, Texas, Florida, Pennsylvania, Georgia, and North Carolina take the same position. Four states do not, and section 6 sets out what each of them wants instead.

What you file

In the states that leave you out, nothing. There is no permit, and with no permit there is no filing obligation. In New York you file returns even where the marketplace collected, and in Tennessee a seller with a physical presence files returns showing zero.

Getting it wrong, in each direction

Which way it goes wrong	What follows
You register in states that never asked you to	The permit creates the filing obligation, not the revenue. Every period the account stays open owes a return, each one showing zero, and a missing zero return can carry the same late penalty as a missing return with tax owing on it.
You skip New York, New Jersey, Washington or Tennessee	None of those four is answered by the fact that the platform collected. New York wants a Certificate of Authority with no threshold at all, and Washington's Business and Occupation tax is a different tax from the one the marketplace handles.

SECTION 3

Case two: your own store is your only channel

Shopify, WooCommerce, BigCommerce, or a checkout you built. This is a different situation entirely, and the distinction is the one the confident wrong advice usually misses.

Who is the seller of record

You are. Nobody collects for you, and once you have nexus in a state you register there, charge the tax, and file the returns. Shopify's built-in tax calculation does not change that: it works out what to charge, and you still owe the filing.

Whether you register

In your home state, and in every other state where you cross the threshold in section 9. That table carries the sales figure, the transaction count in the states where one survives, and the window each state measures over.

What you file

A return in every period your permit is open, on the frequency the state assigns you. Monthly is 12 returns a year, quarterly is four, annual is one, in every state where you hold a permit.

Getting it wrong, in each direction

Which way it goes wrong	What follows
You treat the tax calculator as compliance	Charging the right rate and filing the return are two separate acts, and the second is the one the state notices. Tax collected from buyers and never remitted is the version of this that turns into an assessment.
You register in states you have not crossed	Every open permit is a return every period, in every period, forever, until the registration is closed. Closing a registration is its own act and it does not happen because you stopped selling.

SECTION 4

Case three: both channels at once

This is the case that catches people, because whether your marketplace sales count toward your own threshold depends on the state. Say you sell $400,000 on Amazon and $30,000 through your own Shopify store, into a state with a $100,000 threshold.

Your Amazon sales are covered. Your Shopify sales are not, and the question is whether the Amazon volume pushes your own store over the line. **The answer depends on the state**, which is the part that catches people.

Your marketplace sales	States
do **not** count toward your own threshold	Georgia, Pennsylvania, Virginia, Tennessee, Illinois, Arizona, Alabama, Colorado, Kansas, Massachusetts
do count	Texas, Washington, New York, New Jersey, Iowa, Maryland, Michigan, Minnesota, Missouri, Nebraska, Nevada, Ohio, Oklahoma, South Carolina, South Dakota, Vermont, District of Columbia

The same seller, two states, two answers

Run those figures through New Jersey. Its Remote Sellers FAQ says a remote seller who sells through their own website and through one or more marketplaces is required to count both when calculating the economic threshold, so your test is $400,000 plus $30,000, or $430,000 against a $100,000 line.

You cross it, you register, and you then collect and remit on the $30,000 of Shopify sales only. The $400,000 of Amazon sales stays off your return because the platform already remitted the tax on it. A registration triggered by $430,000 that produces returns on $30,000 is the shape that surprises people, and it is the one we field the most questions about.

Move the same business to Arizona or Colorado and only your $30,000 is tested. That is under the $100,000 line, so you register nowhere and you file nothing. Same seller, same year, two different answers, and the difference is one sentence on a revenue department's website.

> **Where seven of those rows come from**
>
> Seven were re-read against the agency's own document on 18 August 2026, because this is the line a guide gets wrong most often. Georgia Policy Bulletin SUT-2020-01 lets a remote seller exclude sales facilitated by a marketplace facilitator when it works out whether it owes Georgia tax. Pennsylvania Sales and Use Tax Bulletin 2019-01 tells a marketplace seller to use only its direct sales and any sales through a facilitator that is not collecting for it.
>
> Virginia's Guidelines for Remote Sellers and Marketplace Facilitators say only the marketplace seller's direct sales are considered. Tennessee article MS-4 says sales through a facilitator registered with the department do not count. Illinois puts it in the rule itself, at 86 Ill. Adm. Code 131.120(b), where marketplace sales drop out of the threshold once the facilitator has certified it is the responsible retailer. Arizona and Colorado publish the same exclusion on their remote seller pages.

The 19 jurisdictions those two lists do not cover

The two lists above name 27 of the 46 jurisdictions. The other 19 are not settled in the book, and the underlying dataset records what the source said rather than a yes or a no. Those entries are reproduced below exactly as they stand.

What the source record says	Jurisdictions
no	Louisiana
yes	North Carolina
yes, combined	Idaho
facilitator combines own and facilitated	Florida
facilitator tested separately	Arkansas
separate $250,000 rule for facilitators	Connecticut
separate facilitator rules	Hawaii, Indiana, Kentucky, Maine, Mississippi, New Mexico, North Dakota, Wyoming
not stated on the agency page	California, Rhode Island, Utah, West Virginia, Wisconsin

Read those two bottom rows as open questions rather than as answers. Where the record reads *not stated on the agency page*, the agency page does not address the seller-side arithmetic at all. Where it reads *separate facilitator rules*, the state regulates the platform on its own track and the seller-side test was not settled in that pass.

The book leaves both groups open, and this guide leaves them open too. For a business whose numbers sit near the line in one of those 19, the answer comes from the state in writing, with the section of the code it comes from named in the reply.

SECTION 5

Services and real estate: the two businesses the three cases do not cover

The three cases above assume you sell goods. A large share of the companies we register do not: they bill for time, or they own property. Both sit under a different set of rules, and in both the first question is not how much you sold.

Part one: services

Sales tax was written for goods, and states extended it to services one category at a time. Ohio states the default plainly on its own taxability page: only certain services are taxable, and those are clearly listed under Ohio law. Texas does the same thing by statute, where Tax Code section 151.0101 defines *taxable services* as sixteen named categories and nothing else.

That is what **enumerated** means in practice. Your service is taxable if the legislature wrote it onto the list, and it is not taxable if the legislature did not, whatever the volume. California runs the same test from the other side, in Regulation 1501: where the true object of the contract is the service itself, the transaction is not taxed even though some tangible property changes hands.

Four states that tax services broadly, and two of them are not sales taxes

South Dakota imposes tax on the gross receipts of any business in which a service is rendered, and any such service is taxable unless it is specifically exempted, at SDCL 10-45-4. West Virginia carries the same presumption on its sales and use tax page: all sales of goods and services are presumed subject to the tax unless an exemption is clearly provided.

Hawaii and New Mexico reach services just as broadly, and neither of them is running a sales tax. That distinction decides who owes the money, and it is the part that gets lost when the two are listed alongside South Dakota and West Virginia.

> **A sales tax you collect. A gross receipts tax you owe.**
>
> **Hawaii.** The Department of Taxation puts it in one line: the tax is on the business and not on the customer. General excise tax runs at 4% on most activity and 0.5% on wholesaling, plus a county surcharge of up to 0.5%. A seller may choose to visibly pass the tax on and is not required to, and the maximum visible pass-on rate reaches 4.712% where the county surcharge applies. The business pays whether or not it ever charges a customer for it.
>
> **New Mexico.** Gross receipts tax is a tax on persons engaged in business in New Mexico for the privilege of doing business there. The state share is 4.875%, and local rates sit on top. The business may pass it on, and since 1 July 2019 the amount has to be stated separately on the invoice or the invoice has to say the tax is included in the price.
>
> The practical consequence is the same in both. A customer who refuses the line item has not removed the liability. It has moved into your margin.

Washington runs a third variant. Business and Occupation tax is a gross receipts tax that reaches service income, and from 1 October 2025 the state also moved a block of services into retail sales tax under ESSB 5814: advertising services, information technology services, custom website development, live presentations, investigation and security services, temporary staffing, and access to custom software.

The categories that catch small businesses

Named by category rather than state by state, because the list a state adopts changes and the categories do not. One state is given for each as an example of where it is enumerated, not as the full set.

Category	Enumerated, for example, in
Data processing and information services	Texas, where 20% of the charge is exempt and the rest is taxed
Software as a service	split down the middle, and set out below
Advertising and public relations	Connecticut; Washington from 1 October 2025
Janitorial, custodial and building cleaning	Texas as a real property service; Ohio above $5,000 a year; Connecticut
Landscaping and lawn maintenance	Texas, including tree surgery and plant leasing; Ohio above $5,000 a year; Connecticut
Investigation and security services	Texas; Ohio; Washington from 1 October 2025
Staffing and personnel services	Connecticut; Washington, for temporary staffing, from 1 October 2025
Repair, maintenance and remodeling	Texas, for personal property and for nonresidential realty. Residential work is out
Personal care services	Ohio, which names facials, massage, nail services, tattooing and tanning

Software as a service, where the states split

This is the one worth the most attention, because the same subscription is taxable in one state and outside the tax in the next, and neither state thinks it is doing anything unusual.

Position	What the state\'s own document says
New York taxes it	Tax Bulletin ST-128: prewritten software is taxable however it is conveyed, and the sale to a purchaser in New York of a license to remotely access software is subject to state and local sales tax.
Texas taxes it	The Comptroller\'s taxable services publication is explicit: data processing services providers include sellers of software as a service and application service providers. Twenty percent of the charge is exempt from tax.
Connecticut taxes it	Computer and data processing services are on the enumerated list, and the Department of Revenue Services includes canned software accessed electronically and web hosting.
Washington taxes it	Access to custom software and the customization of prewritten software came into retail sales tax on 1 October 2025 under ESSB 5814.
California does not	Regulation 1502: charges for use of a computer on a time-sharing basis, where access is by remote telecommunication, are not subject to tax, and a prewritten program transferred by remote telecommunication is not taxable where the purchaser obtains no tangible personal property.
Virginia does not, if you can prove delivery	Code section 58.1-609.5(1) exempts services delivered electronically, and the Tax Commissioner requires the invoice or contract to certify electronic delivery and that no tangible medium was furnished.

Does service revenue count toward the threshold

This is the question that decides whether a consultant who crosses $100,000 in a state has to do anything at all, and the answer is not in the taxability rules. **The threshold is measured on what the state says to measure**, which is frequently not the same thing as what the state taxes.

State	What the threshold counts	A consultant selling only services
California	total combined sales of tangible personal property for delivery in California above $500,000	never moves the counter
New York	gross receipts from sales of tangible personal property delivered into the state above $500,000, and more than 100 such sales	never moves the counter
Illinois	cumulative gross receipts of $100,000 from sales of tangible personal property, or 200 separate such transactions	never moves the counter
Texas	gross revenue from taxable and nontaxable sales of tangible personal property **and services** into Texas above $500,000	moves the counter, and can be registered with nothing to collect
Washington	more than $100,000 in combined gross receipts, applied to all Washington income including service activity	moves the counter, and registers for B&O even where no retail sales tax is due

Read the two halves separately and most of the confusion goes. Taxability decides whether you charge the customer. The threshold decides whether the state wants to hear from you at all. A state can answer no to the first and yes to the second, and Texas and Washington are where that happens most often.

What to check for your own state

- Whether your service is named on that state\'s enumerated list, and where the list is published: a statute, a rule, or a taxability page.
- If the state taxes services broadly, whether the instrument is a sales tax or a gross receipts tax, because that decides whose liability it is when the customer refuses the line item.
- What the threshold statute counts: sales of tangible personal property only, or gross revenue including services.
- Whether registration is still required once the threshold is crossed even where every one of your sales is exempt.

Part two: real estate

Property is not goods, and almost none of the machinery in sections 1 to 4 reaches it. What reaches it is a different set of taxes, charged at different moments, mostly collected by a different office.

Selling real property

No state runs sales tax on the conveyance of real property. What applies instead is a transfer or recording tax, charged once on the transfer and collected where the deed is recorded. Pennsylvania is the plain version: realty transfer tax at 1 percent of the value of the real estate transferred by deed, instrument, long-term lease or other writing, collected by county Recorders of Deeds, usually alongside a local realty transfer tax.

Washington charges a graduated real estate excise tax instead, running from 1.10% on a price up to $525,000 to 3.00% above $3,025,000, with local rates added, and the seller pays it. Neither of those goes on a sales tax return, and a sales tax permit you hold for goods does not touch either one.

Long-term residential rent

The general rule is that residential rent sits outside sales tax. Arizona was the last large holdout and repealed it: transaction privilege tax on the rental of real estate for residential purposes ended on 1 January 2025 under A.R.S. 42-6004(H), and owners stopped collecting it on stays of 30 days or more.

Hawaii is the exception, and it is an exception for the reason set out in part one. Rent is business activity, so general excise tax reaches residential rental income including long tenancies, even though the separate transient accommodations tax stops at 180 consecutive days.

Commercial rent, and what changed in Florida

Florida was the one state running a general sales tax on commercial rent, and its position moved twice inside two years. **The tax is gone.** TIP 25A01-04, issued 24 July 2025, repeals the state sales tax on rent or license fees for the use of real property under section 212.031, Florida Statutes, effective **1 October 2025**, and the associated discretionary sales surtax with it.

The step before it matters to anyone reading an older figure. TIP 24A01-02 cut the rate from 4.5% to 2.0% effective 1 June 2024, so a 2023 lease, a 2024 lease and a 2026 lease are three different answers. Rent for occupancy periods through September 2025 stays taxable even where the payment lands on or after 1 October 2025.

> **Commercial rent is still taxed elsewhere, under other names**
>
> **Arizona.** There is no state rate on the commercial lease classification, but five counties tax it, Coconino, Gila, Maricopa, Pima and Pinal, under business code 013, and many cities tax it under business code 213. The authority is A.R.S. 42-5069, and some cities do not impose it at all.
>
> **New York City.** Commercial Rent Tax is a city tax on the tenant rather than a sales tax on the landlord. It covers Manhattan south of the center line of 96th Street, returns start at $200,000 of annualized gross rent, tax starts at $250,000, and the rate is 6% of base rent with a 35% reduction that brings the effective rate to 3.9%.
>
> **Hawaii and New Mexico.** Rent is business income, so the general excise tax and the gross receipts tax reach commercial rent at the rates in part one without anyone calling it a sales tax.

Short-term and transient lodging

Short stays are taxed almost everywhere, and the line is drawn by length of stay rather than by what the property is. Florida taxes the rental of living, sleeping or housekeeping accommodations for six months or less at the 6% state rate, with a county local option transient rental tax on top. Hawaii adds transient accommodations tax below 180 consecutive days, Minnesota taxes short-term residential rentals at the general rate plus local and lodging taxes, and Virginia taxes short-term lodging outright.

The facilitator machinery in section 2 reaches Airbnb and Vrbo the same way it reaches Amazon, and it breaks in the same place. Washington states that Airbnb collects and remits state and local retail sales tax, the special hotel and motel taxes and the convention center tax on behalf of hosts, **and the host still files**: report all rental income under Retailing and Retail Sales Tax, claim the deduction for gross sales collected by the facilitator, and pay Retailing B&O on what remains. The platform\’s service fee is not deductible, because the state treats it as a cost of doing business.

Minnesota puts the duty on the accommodations intermediary that collects receipts from the customer and transmits them to the owner, and requires it to register and collect on the full rental price. Virginia has the intermediary report sales tax on the entire transaction on its own return for short-term rentals. The shape is the one from section 2: a platform collecting does not always mean you have nothing to file.

Property management and real estate services

Management fees and brokerage commissions are services, and in the enumerated states they are usually not on the list, so the fee itself is generally outside sales tax. Washington treats gross income from property management as Service and Other Activities B&O, and the manager is the consumer of the goods and retail services it buys to do the work rather than a reseller of them.

The exposure is one level down, on what you rebill. Texas taxes real property services and names them: pest control and extermination, garbage and other waste collection or removal, janitorial and custodial services including parking lot sweeping, landscaping and lawn maintenance including tree surgery and plant leasing, and surveying. A management fee is not on that list. A line on the same invoice for cleaning the common areas is.

In Hawaii and New Mexico the question does not arise in that form. The management fee is business income, and the gross receipts tax reaches it whether or not any other state would have called it a taxable service.

What to check for your own state

- Which office runs the transfer or recording tax where the property sits, and whether the county or the city adds its own on top.
- Whether the state taxes commercial rent at all, and if it does, at which level: state, county or city.
- The length of stay that separates a taxable short stay from an untaxed tenancy, because 30 days, six months and 180 days are all in use.
- Whether the platform\’s collection removes your filing or only removes your payment, which is the same question as in section 2.

> **Where this section comes from**
>
> Every statement above was read on 18 August 2026 from a state revenue department, a state statute or a state rule, and from two independent documents where two were available. Services: Ohio taxability page and Texas Tax Code 151.0101 with the Comptroller publication 96-259; SDCL 10-45-4; the West Virginia sales and use tax page and TSD-345; the Hawaii Department of Taxation GET page with Tax Facts 37-1; the New Mexico gross receipts overview with FYI-105 and the department\’s gross receipts page; Washington\’s ESSB 5814 pages; New York Tax Bulletin ST-128; Connecticut DRS services list; California Regulations 1501 and 1502; Virginia Code 58.1-609.5(1) with Ruling 21-19. Thresholds: CDTFA, the New York nexus publication, the Illinois Retailers\’ Occupation Tax page, the Texas remote seller page and Rule 3.286, and the Washington out-of-state reporting thresholds page.
>
> Real estate: Florida TIP 25A01-04 and TIP 24A01-02; the Pennsylvania realty transfer tax page; the Washington real estate excise tax page; the Arizona residential rental notice and commercial lease page; the New York City Commercial Rent Tax page; the Florida sales tax page on short-term accommodations; the Hawaii rental page; the Minnesota short-term rentals guide; Virginia\’s retail sales tax on accommodations; the Washington lodging and property management pages. The Florida repeal rests on a single department document, which is noted because the rest of this section rests on two.

SECTION 6

The four states that break the marketplace rule

Worth knowing by name, because each of them breaks the rule differently.

New York counts marketplace sales toward its threshold

Marketplace sales are not invisible here. They count toward New York's economic nexus test, which is $500,000 in gross receipts and more than 100 sales into the state over the preceding four sales tax quarters, so platform volume alone can push you over it. Cross it and you need a Certificate of Authority and you file returns, even where the marketplace collected the tax. Stay under it with no physical presence in the state and you do not register. Anyone with physical presence in New York registers regardless of volume.

New Jersey registers you above the threshold

A marketplace-only seller past $100,000 or 200 transactions must register, though it can then ask to be put on a non-reporting basis by filing Form C-6205-ST. The Division of Taxation states the threshold and the non-reporting option on its Remote Sellers page, in its Remote Sellers FAQ, and in Topic Bulletin S&U-5, and all three say the same thing.

Washington is about a different tax

The marketplace handles your retail sales tax, but Washington also levies Business and Occupation tax on gross receipts, and that one is yours. Cross $100,000 in Washington sales, marketplace sales included, and you register for B&O.

Tennessee splits by location

A remote seller selling only through a facilitator does not register. A seller with a physical presence in Tennessee does, and files returns showing zero, even at 100% marketplace sales.

State	What triggers registration for a marketplace-only seller	What you then file
New York	nothing to trigger: everyone registers, no threshold and no exception	returns, including on sales the marketplace collected
New Jersey	$100,000 or 200 transactions	returns, unless you file Form C-6205-ST and the Division puts you on a non-reporting basis
Washington	$100,000 in Washington sales, marketplace sales included, for Business and Occupation tax	B&O returns on gross receipts, which is a separate tax from retail sales tax
Tennessee	a physical presence in Tennessee, not the sales figure	returns showing zero, even at 100% marketplace sales

SECTION 7

Registering, in order

Sales tax registration lives in a different agency from the one that registered your company, which is why it is the last thing most owners hear about. Owners ask us about annual costs, filings and bank accounts before they form, and sales tax registration is the fifth question.

1. **Identify the agency.** Not the Secretary of State, which is the wrong door we watch people knock on first. Sales tax sits on the revenue side: the Department of Revenue in most states, the Comptroller of Public Accounts in Texas, a Certificate of Authority rather than a permit in New York.
2. **Gather what the application asks for.** Legal entity name and state of formation, EIN, the 6-digit NAICS code for what you sell, the date you crossed the threshold, and a projection of your sales into that state.

3. **Name a responsible party.** The state wants a human being who answers for the tax, with a title, a home address, and a Social Security number, and that person is personally exposed if collected tax never reaches the department. This is the field we see owners stop at.
4. **File the registration.** Online in nearly every state, and in the registrations we file the permit usually lands the same week. Some states charge for it and some issue it at no cost, and the amount sits in that state's own fee schedule.
5. **Read the permit when it arrives.** It carries an account number, an effective date, and a filing frequency: monthly, quarterly, or annual. You do not pick the frequency. The state assigns it from the volume you projected and moves you later as the real numbers arrive.

What to have in hand before you open the form

The application runs in roughly this order in most states, and it does not save well half-finished. Each field below does something specific with what you type into it.

What the form asks for	What the state does with it
Legal entity name and state of formation	matched against the formation record, so it goes in exactly as that state holds it, not as your trade name or DBA
Formation date	fixes when the entity itself began, which is a different date from the one below
EIN	the identifier the department keys the tax account to
NAICS code, 6 digits	classifies what you sell, and in some states it drives which taxes the account is opened for
Date you crossed the threshold	sets the effective date on the permit, and with it the first period you owe a return for
Projected sales into that state	the state assigns your filing frequency from this number and revises it later
Responsible party: name, title, home address, Social Security number	names the human being who answers for the tax, and that person is personally exposed if collected tax never reaches the department

How long the account takes to open. Registration is online in nearly every state, and in the registrations we file the permit usually lands the same week. Beyond that, each of the 46 jurisdictions runs its own system at its own speed, and no single number covers all of them.

SECTION 8

After the permit arrives

The state assigns the frequency, you do not pick it

The frequency comes from the volume you projected on the application, and the state moves you later as the real numbers arrive. That frequency is the shape of your year: 12 returns at monthly, four at quarterly, one at annual, in every state where you hold a permit.

A period with no sales still produces a return

A return is due in every period the permit is open, including every period with no sales at all. The permit creates the filing obligation, not the revenue. A missing zero return can carry the same late penalty as a missing return with tax owing on it.

Charging the correct rate

Most states are destination-sourced. The rate follows the buyer's address and stacks state, county, city, and special district rates on each other, which is why two customers 10 miles apart can pay different totals on the same item. A few states source in-state sales to the seller's own location instead: your home rate inside the state, destination rules everywhere else.

Exemption certificates

Not every buyer pays. Resellers, nonprofits, and manufacturers buying inputs claim an exemption, and when they do you keep a certificate on file instead of the tax.

Certificates are the piece our clients drop first, and they are the only thing standing between you and an assessment. In an audit, an exempt sale with no certificate behind it is a taxable sale, and the tax then comes out of your margin rather than the buyer's wallet.

Closing a registration is its own act

A registration you no longer need keeps generating obligations, which is why closing it properly matters when you close the business or leave a state. Stopping the sales does not stop the returns, and the account stays open until you close it with the same department that opened it.

SECTION 9

Economic nexus thresholds, 46 jurisdictions

Checked 14 August 2026 against each state's own revenue department, and against the statute wherever the two did not say the same thing. One row still disagrees with what its own agency publishes. It is marked, and the note after the table tells you why before you lean on it.

State	Sales	Transactions	Test	Measured over
Alabama	$250,000	none	sales only	previous calendar year
Arizona	$100,000	none	sales only	current calendar year
Arkansas	$100,000	200	or	current or previous calendar year
California	$500,000	none	sales only	preceding or current calendar year
Colorado	$100,000	none	sales only	current or previous calendar year
Connecticut	$100,000	200	and	12 months ending September 30
Florida	$100,000	none	sales only	previous calendar year
Georgia	$100,000	200	or	previous or current calendar year
Hawaii	$100,000	200	or	current or preceding calendar year
Idaho	$100,000	none	sales only	current or previous year
Illinois	$100,000	none	sales only	rolling 12 months, tested quarterly

State	Sales	Transactions	Test	Measured over
Indiana	$100,000	none	sales only	previous or current calendar year
Iowa	$100,000	none	sales only	current or prior calendar year
Kansas	$100,000	none	sales only	current or preceding calendar year
Kentucky	$100,000	none	sales only	previous or current calendar year
Louisiana	$100,000	200	or	current or previous calendar year
Maine *	$100,000	none	sales only	current or previous calendar year
Maryland	$100,000	200	or	previous or current calendar year
Massachusetts	$100,000	none	sales only	calendar year
Michigan	$100,000	200	or	previous calendar year
Minnesota	$100,000	200	or	prior 12 months
Mississippi	$250,000	none	sales only	any 12-month period
Missouri	$100,000	none	sales only	preceding 12 months, reviewed quarterly
Nebraska	$100,000	200	or	prior or current calendar year
Nevada	$100,000	200	or	previous or current calendar year
New Jersey	$100,000	200	or	current or prior calendar year
New Mexico	$100,000	none	sales only	previous calendar year
New York	$500,000	100	and	preceding four sales tax quarters
North Carolina	$100,000	none	sales only	previous or current calendar year
North Dakota	$100,000	none	sales only	current or previous calendar year
Ohio	$100,000	200	or	current or previous calendar year
Oklahoma	$100,000	none	sales only	preceding 12 months
Pennsylvania	$100,000	none	sales only	calendar year
Rhode Island	$100,000	200	or	calendar year
South Carolina	$100,000	none	sales only	previous or current calendar year
South Dakota	$100,000	none	sales only	previous or current calendar year
Tennessee	$100,000	none	sales only	previous 12 months
Texas	$500,000	none	sales only	preceding 12 calendar months
Utah	$100,000	none	sales only	previous or current calendar year
Vermont	$100,000	200	or	trailing 12 months, reviewed quarterly
Virginia	$100,000	200	or	previous or current calendar year
Washington	$100,000	none	sales only	current or prior calendar year
West Virginia	$100,000	200	or	preceding calendar year
Wisconsin	$100,000	none	sales only	previous or current calendar year
Wyoming	$100,000	none	sales only	current or preceding calendar year

State	Sales	Transactions	Test	Measured over
District of Columbia	$100,000	200	or	previous or current calendar year

Count the rows and you get 46, not 51. Five jurisdictions are absent because they levy no state sales tax and so set no threshold: Alaska, Delaware, Montana, New Hampshire, and Oregon. Alaska is the exception inside that exception, because its local jurisdictions still tax.

Three rows that moved, and the one still marked

Kentucky. House Bill 757 of the 2026 regular session, 2026 Acts chapter 161, redefines the standard as a sales volume threshold only, effective 1 August 2026. The 200-transaction test is gone. That change landed while the table was being checked, which is the whole reason the row carried a flag, and if you sold into Kentucky in the first half of 2026 the old test was live for those months.

Wyoming. House Bill 0197 of 2024, Enrolled Act 38, repealed W.S. 39-15-501(a)(ii), the transaction test, effective 1 July 2024. What survives is gross revenue over $100,000 from your sales into the state. The earlier flag was a document that could not be opened, not a rule anybody disputed.

Maine, the marked row. The live provision is 36 MRSA 1754-B(1-B)(B), which requires you to register where your gross sales exceed $100,000 and carries no transaction count anywhere in its text. The 200-transaction test sat in 36 MRSA 1951-B, and that section is repealed.

Maine Revenue Services still publishes both tests on its remote seller page, which is the asterisk: a repealed section can outlive itself on an agency's own website for years. Read the page and the code in the same afternoon and you get two different answers. The row above follows the code.

> **The habit to carry out of this table**
>
> When a state's guidance and its code disagree, the code is what a court reads, and the page catches up later. Kentucky's threshold moved on 1 August 2026, inside the life of this edition.
>
> So the useful question to put to a revenue department is not what its page says but which section of the code the answer comes from. That is the question we ask, and it is the one that comes back in writing.

What the table tells you

- **28 of the 46 states have dropped the transaction count.** Any guide still saying "$100,000 or 200 transactions" as a general rule is describing a version of the law most states have left behind. Where a transaction count survives it is usually an alternative test, so 201 small sales can register you in a state you have barely sold into.
- **The threshold is not always $100,000.** Alabama and Mississippi sit at $250,000. California, New York, and Texas sit at $500,000.
- **New York and Connecticut require both tests at once.** Everywhere else with two tests, meeting either one is enough. In New York you need more than $500,000 and more than 100 transactions before the obligation starts, which makes it one of the harder states to trip into by accident.
- **The measurement window varies more than the numbers do.** Some states look at the calendar year, some at a rolling 12 months tested each quarter, and Connecticut at the 12 months ending September 30. Two

businesses with identical sales can cross in different months.

- **Marketplace sales are counted differently by different states.** Enough states still count them that a seller who trades only on a marketplace can cross a threshold and acquire a registration obligation even though the platform remits the tax. Section 4 carries the split.

SECTION 10

When the nexus date sits behind you

This is the situation we meet most often. You crossed a $100,000 line in March and registered in November, so eight months sit behind you. The tax on those months was collectible from your buyers at the time, and it is your liability now whether or not you charged it.

Two routes lead out. You register with the true nexus date and file the back periods, which is straightforward when the exposure is small and much less so when it is not, or you approach the state through a voluntary disclosure agreement.

What a voluntary disclosure agreement is

Most states run a program for sellers who come forward before the state finds them. You register, file and pay for a defined look-back period, and in exchange the state limits how far back it reaches and generally waives the penalties. Interest usually survives.

The program closes the moment the agency contacts you first. A notice in the mail from a revenue department is the wrong place to learn that the option existed.

States differ, and the differences matter here

What the program is called, how long the look-back runs, whether the state runs it directly or through a multistate body, and what it waives are all set state by state. Nothing in this guide settles any of that for a specific state, and the figures in section 9 answer when you crossed, not what a state will accept now.

Where this stops being a registration question

The choice between filing the back periods openly and approaching a state through voluntary disclosure is made once, and the second route generally closes once you have registered in the ordinary way or the agency has written to you.

That is the point where owners commonly bring in an accountant or a state and local tax specialist, before anything is filed. Corporatee registers companies, which is a different question from this one.

Source. Sections 9.2 and 9.3 of LLC Beginner's Guide 2026. Thresholds checked 14 August 2026 against each state's own revenue department and against the statute where the two disagreed. Marketplace sourcing for Georgia, Pennsylvania, Tennessee, Virginia, New Jersey, Arizona, Colorado and Illinois re-read 18 August 2026. Section 5 was researched separately on 18 August 2026 against state revenue departments, statutes and rules, and carries its own source note. Where the source flags a question as open, this guide leaves it open.