

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

30 incentivize timely filing by offering a sales tax filing discount to businesses that file returns and remit payments by the due date. Two states even offer ...

Jan. 28, 2018



Dealing with sales and use tax is a thankless task that's tempting to put off. But if you file on time, you may be rewarded.

While all states penalize businesses for late and incorrect sales tax returns, close to 30 incentivize timely filing by offering a sales tax filing discount to businesses that file returns and remit payments by the due date. Two states even offer additional savings when tax is paid early.

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

generous \$15,000 per month.

At the opposite end of the spectrum, both Alabama and New York allow a discount of up to 5%. Yet Alabama caps savings at \$400 per month, while New York allows prompt filers to save only \$200 per quarter.

The greatest savings overall can be found in Colorado, where the vendor discount is 3.33% for state sales tax, and between zero and 3.33% for local tax, with no cap.

A few states require minimum discounts. For example, timely filers must claim at least \$5 per year in Illinois and \$25 per month in Pennsylvania.

As in years past, Virginia wins the prize for the most complex vendor discount. The discount provided for general sales differs from the discount for food sales, and discounts also differ for sales of varying amounts. Furthermore, Virginia provides no discount for local tax or electronically filed returns.

Since even the smallest discounts can lead to substantial savings over time, it’s worth knowing which states offer them. Read on for a list of state discounts for filing and remitting sales tax on time. (Where no minimum or maximum discount is listed, there is no minimum or maximum discount.)

State	2018 Sales Tax Early Filing Discounts
Alabama	5% on the first \$100, 2% on the remainder; maximum of \$400 per month
Arizona	1%; maximum of \$10,000 per year
Arkansas	2%; maximum of \$1,000 per month
Colorado	3.33% on state sales tax; 0%–3.33% on local option tax

Florida **2.5%; maximum of \$30 per report**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Louisiana **0.748% (this will increase to 0.935% on July 1, 2018)**

Maryland **1.2% on annual collections of up to \$6,000, 0.9% on the remainder; maximum of \$500 per return**

Michigan **0.5% on the first 4% of the tax (0.75% if paid by the 12th of the month); minimum of \$6 and maximum of \$15,000 per month**

Mississippi **2%; maximum of \$50 per month**

Missouri **2%**

Nebraska **2.5%; maximum of \$75 per month**

Nevada **0.25%**

New York **5%; maximum of \$200 per quarter**

North Dakota **1.5%; maximum of \$110 per month**

Ohio **0.75%**

Oklahoma **1%; maximum of \$2,500 per month**

Pennsylvania **1%; minimum of \$25 per month**

South Carolina **3% on the first \$100, 2% on the remainder; maximum of \$10,000 per year**

South Dakota **1.5%; maximum of \$70 per month; applies to electronic filers only**

Texas **0.5%; an additional discount of 1.25% applies to early payments**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

per month

There is no set discount in Idaho, Maine, or Vermont, but vendors may keep any excess collections prescribed under the bracket system.

Alaska, Delaware, Montana, New Hampshire, and Oregon have no general sales tax. However, New Hampshire provides a discount of 3% for timely filing of its meals and room tax.

Additional constraints may apply in some states. Sales tax filing discounts are subject to change in all states and should always be confirmed before being claimed.

Companies like [Avalara](#) offers Managed Returns Services that allow you to file on time, every time.

Gail Cole began researching and writing about sales tax for Avalara in 2012 and has been fascinated with it ever since. She has a penchant for uncovering unusual tax facts, and endeavors to make complex sales tax laws more digestible for both experts and laypeople.

Sales Tax

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us