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Previously, businesses were only required to collect sales tax in states where they operate physically. Some major online retailers like Amazon were already collecting sales tax nationwide, but many small- to mid-sized businesses were not to maintain

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This summer the [Supreme Court](#) ruled that states have the authority to require businesses to collect online sales tax on purchases even if the business does not have a physical presence in the state. This decision has the potential to impact the way your small business clients conduct business online, but so far they may be unsure of

how they need to adapt their e-commerce operations. If they come to you for advice

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A [recent survey](#) of retail businesses with fewer than 500 employees by Paychex reveals that small business retailers are largely split on how difficult it will be for their businesses to accommodate the pending changes to online sales tax, with 47 percent saying it will be difficult or very difficult and 53 percent indicating it will not be difficult at all.

For small businesses with an e-commerce presence, their compliance obligation may increase with every state that now chooses to collect online sales tax. But businesses with a brick-and-mortar only operation have always been required to collect sales tax and may be grateful that this decision levels the playing field between them and their online competitors.

The good news for online retailers is that it takes time for states to react to rulings like this one and make the necessary changes to enable the collection of a new tax. While some states have been readying their processes in anticipation of the ruling, most will have work to do before enacting any major changes.

What types of regulatory changes should you and your clients look out for?

Here are five areas accountants and small business owners should keep an eye on in the months to come:

1. **Thresholds:** Some states already have, or will likely enact, thresholds above which the tax will be triggered; so, if a business' activity in a particular location is below an ordained dollar or transaction level, they may be exempt.
2. **The Streamlined Sales Tax Agreement:** Twenty-four states currently participate in this agreement, which in addition to standardizing some of the supporting tax

calculation and submission protocols also provides for free sales tax compliance

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decision may spur these states to reconsider that stance given the opportunity for incremental revenue.

How can you help your clients prepare?

Though some effects of this ruling are unknown at this time, you can help your clients take steps to prepare. First, assess impact, evaluating where the business' main out-of-state sales come from. This will give you and your client a sense of where to focus your compliance attention.

Your clients already have a head start by soliciting your guidance on this unfamiliar issue based on their specific business situation. An established [software solutions provider](#) may also be able to help in providing a comprehensive, easy to use, reasonably priced product and offering the resources needed to stay abreast of the wide, complex, fluid array of state and local sales tax requirements.

E-commerce allows businesses to reach corners of the U.S. that never would have been possible with a brick-and-mortar presence, but now that online channels are a major way – and in some cases the primary way – business is done, online sales tax is just one way federal and state legislators will work to regulate the industry. We can expect to see much more of this in the future as unique issues of e-commerce rise to the forefront.

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