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Gail Cole • Aug. 16, 2019



More than 41 states now [have laws requiring out-of-state sellers to collect and remit sales tax](#). That means more businesses than ever, especially ecommerce businesses, need to register to do business in other states — and may need the services of a registered agent.

You're not alone if you've never heard of a registered agent. But if your client recently [developed a sales tax collection obligation](#) in one or more new states, they

probably need to retain one. Read on to learn more about this mandatory point

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Although the [Georgia Secretary of State](#) calls the registered agent “the ‘mailbox’ for the corporation,” simply renting a post office box in another state under the name “My Company’s Registered Agent” would not be sufficient. A registered agent must be an individual or business entity that’s in the state and available during normal businesses hours.

Some states use the term commercial registered agent or statutory agent rather than “registered agent.”

Why do you need a registered agent?

States require you to have a registered agent to ensure you can be served papers. While many documents can be sent via mail or email, some documents still need to be served in person.

The larger your business, the more likely you are to be served official documents. These may be correspondences from the state, like annual reports, or something more ominous, like a legal summons.

If you’re required to have a registered agent in a state, you’re required to continually maintain it. Failure to do so in some states can lead to monetary penalties or even revocation of your right to do business in the state.

Can I be my own registered agent?

It’s generally permitted to act as your own RA in your home state and doing so may save you some money. However, there are good reasons *not* to act as your own registered agent.

For one, it’s hard to go on vacation or stay home sick if you’re the only person who can legal receive certain legal documents during normal work hours.

It's also hard to keep a summons private: You probably wouldn't want everyone in

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individual or a third party entity.

Asking an individual

A trusted employee or even friend or family member can serve as your registered agent in your home state. Yet any individual will come with the same challenges you'd face if you acted as your own RA: A registered agent needs to be available every day during normal business hours; no more vacations or staying home when ill.

There's also the issue of confidentiality. The kind of papers that necessitate the services of an RA are typically sensitive in nature. You want to choose who's privy to that information wisely.

Finally, since you generally need an RA in all states where you're registered to do business, you probably won't be able to rely on just one person. You'll need to recruit additional individuals as your business expands into other states. Can you imagine having up to 50 different registered agents?

Hiring a third party

There are businesses in every state that provide RA services. If you're not sure where to start a search for one, Secretary of State or similar websites (links below) generally provide a list of professional registered agents.

Some companies offer registered agent services in multiple states, or even nationwide. The main benefit of working with such an agency is obvious: You only need to establish and maintain one working relationship. When you expand into a new state, you simply let them know.

Hiring a third party will cost you, of course, but perhaps less than you think. Using a registered agent agency may be less expensive than paying your attorney or

accountant to be your RA, and an agency may give you a break if you use their

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Avalara Licensing can help you register to collect sales and use tax in any state, county, city, or other jurisdiction in the United States. Avalara doesn't provide registered agent services.

Want to know more about registered agent requirements? It's not always easy to find information, but the links provided below can help get you started.

- [Alabama Code § 10A-1-5.32](#)
- [Alaska Department of Commerce, Community, and Economic Development](#)
- [Arizona Corporation Commission](#) (search for Statutory Agent)
- [Arkansas Secretary of State](#)
- [California Secretary of State](#)
- [Colorado Secretary of State](#)
- [Connecticut Secretary of the State](#)
- [Delaware Division of Corporations](#)
- [Florida Division of Corporations](#)
- [Georgia Secretary of State](#)
- [Hawaii Department of Commerce and Consumer Affairs](#)
- [Idaho Secretary of State](#)
- [Illinois Secretary of State](#)
- [Indiana Secretary of State](#)
- [Iowa Secretary of State](#)
- [Kansas Business Center](#)
- [Kentucky Secretary of State](#)
- [Louisiana Secretary of State](#)
- [Maine Secretary of State](#)
- [Maryland Code § 2-108](#)
- [Massachusetts Secretary of the Commonwealth](#)
- [Michigan Department of Licensing and Regulatory Affairs](#)
- [Minnesota Secretary of State](#)

- [Mississippi Secretary of State](#)

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[North Carolina Secretary of State](#)

- [North Dakota Secretary of State](#)
- [Ohio Secretary of State \(statutory agent\)](#)
- [Oklahoma Secretary of State](#)
- [Oregon Secretary of State](#)
- [Pennsylvania Department of State](#)
- [Rhode Island Department of State](#)
- [South Carolina Secretary of State](#)
- [South Dakota Secretary of State](#)
- [Tennessee Secretary of State](#)
- [Texas Secretary of State](#)
- [Utah Department of Commerce](#)
- [Vermont Secretary of State](#)
- [Virginia State Corporation Commission](#)
- [Washington Secretary of State](#)
- [West Virginia Code §31D-5-501](#)
- [Wisconsin Department of Financial Institutions](#)
- [Wyoming Secretary of State](#)
- [Washington, D.C., Department of Consumer and Regulatory Affairs](#)

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This article first appeared on the [Avalara blog](#). 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.

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