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court decision on South Dakota v. Wayfair, Inc. (June 21, 2018) — and implementation ...

Dec. 19, 2019



Some of the wackiest sales tax tales in 2019 centered on remote sales tax. States won the right to tax remote sales only recently, with the United States Supreme Court decision on *South Dakota v. Wayfair, Inc.* (June 21, 2018) — and implementation hasn't gone smoothly everywhere.

But wackiness isn't limited to online sales tax. Read on for a recap of the top five wacky sales tax tales of 2019.

New York made remote sellers scramble

New York kept mum on the June 2018 Wayfair decision until January 2019, at which

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\$500,000. It took the New York Department of Taxation and Finance until October to note the change on its website.

Thus, for months, remote sellers seeking advice from the department learned they needed to register once their New York sales exceeded \$300,000 and 100 transactions — when in fact they didn't need to register until their sales exceeded \$500,000 and 100 transactions.

The department also waited until the last minute to inform marketplace facilitators that they needed to collect and remit tax on behalf of third-party sellers. It dropped the news May 31, 2019; the requirement took effect June 1, 2019.

Unfortunately, such confusion wasn't limited to New York. Read [Do states like to watch remote sellers scramble?](#) for more details.

California's remote sales tax shenanigans

The California Department of Tax and Fee Administration (CDTFA) tried to avoid such confusion by inviting the public to participate in discussions months before starting to tax remote sales. Despite that transparency, businesses might have felt that California was, at times, playing remote sales tax games.

As with New York, much of the confusion was caused when lawmakers changed the economic nexus threshold adopted by the tax department.

The CDTFA's economic nexus rule, announced in December 2018, required sellers with more than \$100,000 in sales or at least 200 transactions in the state to register by April 1, 2019. On April 25, 2019, the California Assembly enacted a bill that retroactively increased the threshold to \$500,000 and eliminated the transaction threshold. The measure also imposed a collection requirement on marketplace sellers, effective October 1, 2019.

Perhaps no one expressed the ensuing frustration better than [one Amazon seller](#): “I

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The fact is, more than 100 local jurisdictions in Alaska levy a local sales tax and rely on sales tax revenue. Working together, they're creating a single statewide entity to administer the collection and remittance of remote sales tax: the Alaska Remote Seller Sales Tax Commission.

Approximately 15 jurisdictions have signed on to tax remote sales soon, perhaps as early as February 2020. And at least one city, Nome, went rogue and is already doing so on its own. Meanwhile, it's not certain the U.S. Supreme Court decision in Wayfair even applies to the unique situation in Alaska. The ruling was about a state's right to tax remote sales, not a city's right.

Get more details in [Local jurisdictions in state with no sales tax prepare to tax remote sales](#) and [Taxing Santa Claus](#).

Utah taxes buggy whips but not Uber rides

Sales tax laws aren't always in step with the times, and they don't always make obvious sense.

In his campaign to broaden sales tax, Utah Governor Gary Herbert pointed out that Utah sales tax applies to buggy whips, which are not exactly a hot commodity these days. On the other hand, it doesn't apply to widely used personal transportation services like Lyft and Uber. You won't pay Utah sales tax on a liposuction procedure, but you will pay it on sanitary napkins and tampons. And so forth.

Lots of states are struggling with this very issue. Learn more in [On buggy whips, liposuction, and Uber rides](#).

Feeding the sweet tooth

Sales tax rules regarding food are among the most fascinating and frustrating.

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even wilder read, check out this [state-by-state guide to sales tax on candy](#).

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Sales Tax

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