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By Charles Maniace.

In June 2018, the Supreme Court's *South Dakota v. Wayfair* decision gave states the ability to enforce tax collection and remittance requirements against remote sellers just as they have done to in-state sellers for decades. Three years later, every state with a sales tax has enacted rules that mandate [sales tax](#) collection for remote sellers. Since rates, rules and requirements vary significantly from state to state, managing compliance remains an enormous challenge. This article makes the case for state

certification of tax automation providers as a key to making nationwide compliance

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state with a sales tax has passed their own *Wayfair*-inspired [sales tax laws](#).

While there was a time early on when many states copied the South Dakota remote seller threshold of \$100,000 in gross sales or 200 individual transactions precisely, this is no longer true. Each state, looking for their own magic set of numbers that would bring meaningful sellers into compliance without clogging the system with the smallest companies, have left us with a patchwork of measuring periods, revenue amounts, and transaction count triggers.

Consider the following examples, which show how subtle the distinctions can be:

- Arkansas has a \$100,000 sales or 200 transaction count trigger, but they only count “taxable” sales.
- Connecticut has a \$100,000 sales / 200 transaction count trigger; but they only count “retail” sales and registration is only required after you cross both thresholds
- New York has a \$500,000 threshold where they only count sales of “tangible personal property” coupled with a 100 transaction count trigger that doesn’t count individual transactions but rather counts individual “sales.”

States also differ as to whether sales made through online third party marketplaces count against the thresholds but most states hold that once you cross the threshold, the requirement to become compliant takes effect immediately. This all means remote sellers must track their economic activity closely to understand where and when they must start registering, collecting and remitting tax.

Streamlining Sales Tax for Remote Sellers

Once you find yourself obligated to collect and remit tax, the time has come to navigate the patchwork of rates, taxability rules, and filing requirements. With more than 640 rate changes since this time last year and 657 form revisions in calendar

year 2020, maintaining compliance is no easy feat. This is why the [Streamlined Sales](#)

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and mandating state-level administration of local sales taxes.

For these 24 member states, efficient sales tax compliance means sellers may be more readily able to comply which in turn leads to reduced resources needed for administration and enforcement. Lower compliance overhead turns into increased net tax revenue. For example, sales and use tax revenue in Arkansas, West Virginia and Iowa—all SST member states—were up 12.9%, 10.7% and 10.6% respectively in fiscal year 2021 compared to fiscal year 2020.

But not only does SSUTA benefit states, it also meaningfully reduces the costs and compliance headaches for remote sellers. Clarity and simplicity is one of the keys to making compliance manageable and affordable, but it's not enough on its own. This is where tax automation comes into the picture.

Technology's Key Role in Compliance

The SSTGB recognized early on that most companies would become compliant through software tools and services. They also recognized that if you ensured these technology providers knew and understood all the compliance requirements, in turn so would all their customers. This notion gave birth to the certified service provider (CSPs) program. CSPs are technology companies that are continually certified as accurate by the SSTGB and the SSUTA member states. When a CSP works with a remote seller, the CSP effectively carries out all their sales and use tax functions apart from the self-assessment of consumers' use tax.

The combination of SSUTA and CSP program only exists within the 24 member states, so it is by no-means a nationwide cure-all to compliance complexity and maybe it never will be given that SSUTA hasn't expanded its membership roster since Georgia joined in 2010. However, since *Wayfair*, other states have started implementing independent CSP-like programs. Pennsylvania was the first state to

create its own [CSP program](#) and Illinois is actively working with the SST CSP's to get

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