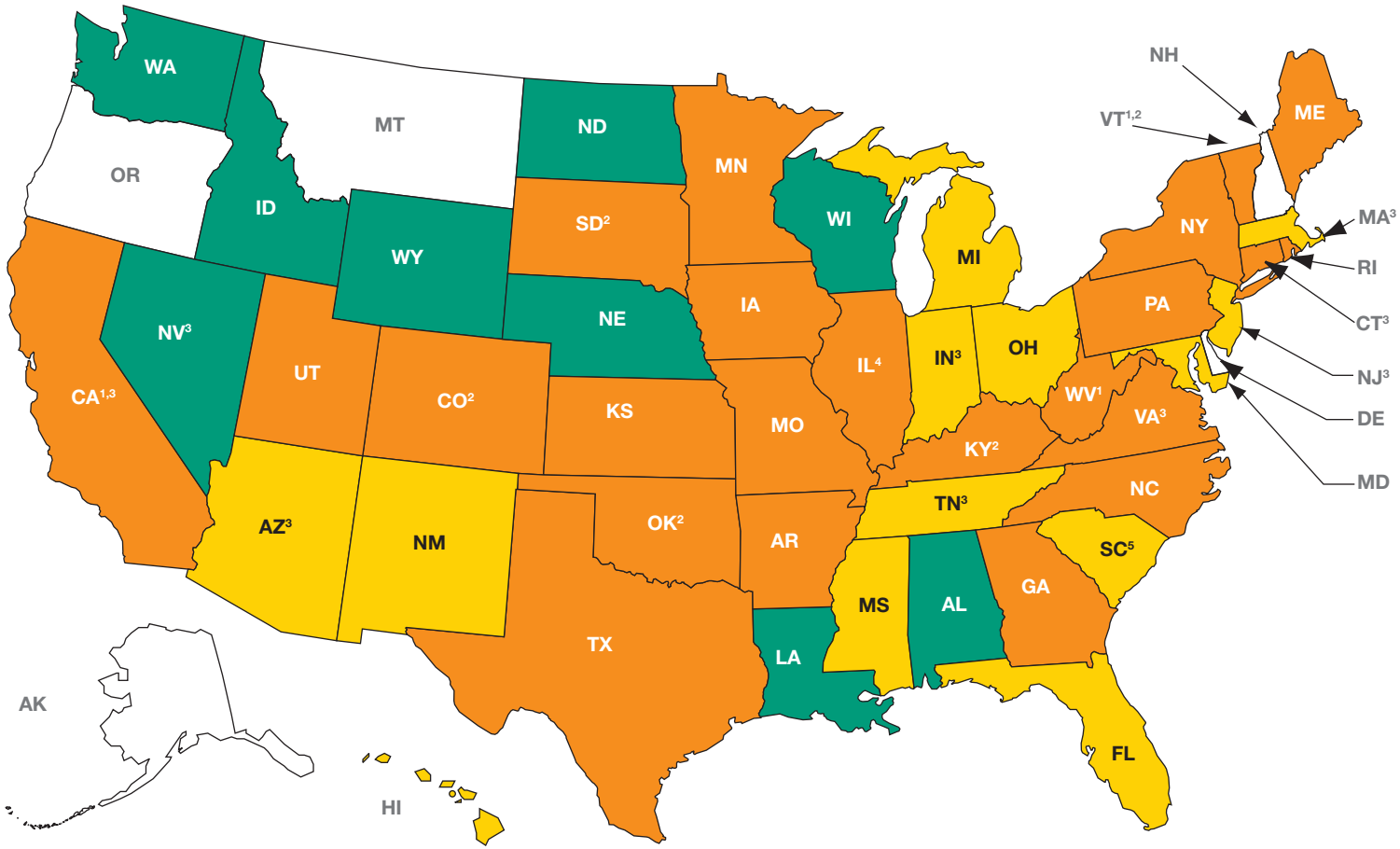
Status of Sales and Use Online Tax Laws



Green: States with sales tax

Orange: States with sales tax that have enacted online tax laws

Yellow: States with sales tax that have introduced online tax legislation

White: States with no sales tax

States with sales tax and enacted or introduced online tax laws include those with tax legislation related to click-through nexus and/or affiliate-nexus.

[1] VT has enacted an online tax law but it is not yet in force. The District of Columbia enacted a remote vendor collection requirement but it is not effective until the enactment by U.S. Congress of legislation that permits the provisions of the bill to go into effect

[2] Five states also have website notice and/or reporting requirements: Colorado, Kentucky, Oklahoma, South Dakota, and Vermont.

[3] Several states have reached an agreement with Amazon under which Amazon has agreed to collect tax and has begun doing so: Arizona, Connecticut, Indiana, Massachusetts, Nevada, New Jersey, Tennessee, and Virginia.

[4] The Illinois Supreme Court held that the definition provisions in the sales tax click-through nexus law are void and unenforceable because they impose a discriminatory tax on electronic commerce under the meaning of the federal Internet Tax Freedom Act. Illinois Supreme Court, October 18, 2013.

[5] South Carolina enacted a temporary safe harbor provision that is effective June 8, 2011, and expires January 1, 2016.

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Last revised January 17, 2014.