

Economic Nexus Thresholds in Each State

After the U.S. Supreme Court's decision in *South Dakota v. Wayfair Inc.*, states have been passing their respective economic nexus provisions. At issue in the case was a law passed by South Dakota that required an out-of-state seller, without a physical presence in the state, to collect and remit sales tax to South Dakota if it had either \$100,000 of gross revenue from sales to South Dakota customers or more than 200 transactions in the state. The Supreme Court did not rule on whether South Dakota's law was valid, but it did hold that physical presence in a state is no longer required in order to impose a duty to collect and remit sales tax.

Many states now impose a similar threshold to that at issue in *South Dakota v. Wayfair Inc.*, but the states have varying effective dates and definitions for what is included in the sales and transaction thresholds. While other states impose variations on this threshold.

Most recently, Florida joined the other 43 states that have passed economic nexus thresholds for sales and use tax purposes. At this point, the only other state that imposes a state sales tax that does not have an economic nexus provision is Missouri. The Missouri legislature passed a bill that would impose a sales and use tax collection obligation on out-of-state sellers and marketplace facilitators, but it has not yet been signed by the Governor. Under Missouri procedural law, because the bill was delivered to the Governor when the legislature was not in session, the Governor has 45 days from May 25, 2021 to act on the bill.

The below chart lists each state's threshold, effective date, and definitions for what is included the sales and transactions threshold.

State	Economic Nexus Enacted/Proposed?	Rule	Time Period	Sales Measured	Transactions Measured	Effective Date
Alabama	Enacted	\$250K sales AND listed activity	Previous calendar year	Retail sales of tangible personal property, including taxable and non-taxable sales, but excluding wholesale sales for resale and sales made through a marketplace facilitator that is collecting tax on behalf of the seller	N/A	10/1/2018
Alaska	Enacted at the local level	\$100K sales or 200 transactions	Previous calendar year	Gross sales from the sale of property, products, or services, including sales made through a marketplace facilitator	Not defined	Each locality has a different effective date

Arizona	Enacted	\$200K sales for 2019, \$150K sales for 2020, and \$100K sales for 2021 and thereafter	Previous or current calendar year	Gross proceeds of sales or gross income, including gross receipts from the sale of tangible personal property or service, or both, excluding sales made through a marketplace facilitator	N/A	10/1/2019
Arkansas	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Sales of tangible personal property, taxable services, digital code, or specified digital products for delivery into Arkansas, excluding tax exempt goods and services and sales made through a marketplace facilitator	Not defined, but excluding sales made through a marketplace facilitator.	7/1/2019
California	Enacted	\$500K sales	Previous or current calendar year	Sales of tangible personal property in this state or for delivery in the state, including sales by affiliates/ subsidiaries and nontaxable sales such as sales for resale, and including sales made through a marketplace facilitator	N/A	4/1/2019
Colorado	Enacted	\$100K sales	Previous calendar year or after the first day of the month after the 90th day after the retailer exceeded \$100,000	Sales of tangible personal property, commodities, or services in the state, excluding sales made through a marketplace facilitator	N/A	6/1/2019
Connecticut	Enacted	\$100K sales AND 200 transactions	The twelve-month period ended on the September thirtieth immediately preceding the monthly or quarterly period with	Sales price from retail sales of tangible personal property and taxable services, including sales made through a marketplace facilitator	Not defined, but including sales made through a marketplace facilitator	12/1/2018 (\$250K) 7/1/2019 (\$100K)

			respect to which such person's liability for tax			
Delaware	N/A	N/A				N/A
D.C.	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross receipts from retail sales of tangible personal property, taxable services, and digital goods, including sales made through a marketplace facilitator	The sale in any quantity or quantities of any tangible personal property or service	1/1/2019
Florida	Enacted	\$100K sales	Previous calendar year	Taxable sales of tangible personal property delivered physically into the state, excluding sales made through a marketplace facilitator	N/A	7/1/2021
Georgia	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue from retail sales of tangible personal products delivered into the state electronically or physically, excluding sales for resale and sales made through a marketplace facilitator.	Not defined	1/1/2019 (\$250K) 1/1/2020 (\$100K)
Hawaii	Enacted	\$100K sales or 200 transactions	Current or immediately preceding calendar year	Gross income or gross proceeds from sales of tangible personal property in the state, services used or consumed in the state, or intangible property used in the state. If a marketplace seller and the marketplace facilitator have economic nexus, then it is the gross income or gross proceeds from: sales of tangible personal property made directly	Not defined	7/1/2018

				into the state (not through a marketplace facilitator); sales of tangible personal property made through any marketplace facilitator if the marketplace seller sends the property into the state, either directly to the purchaser or to a marketplace facilitator for resale; and sales of intangible property and services that were made into the state, regardless of whether the sale was made through a marketplace facilitator, if the intangible property or services are ultimately used or consumed in the state		
Idaho	Enacted	\$10K sales AND referral agreement OR \$100K sales	Immediately preceding 12 months	10K - Total sales to Idaho buyers through referral agreements 100K - Cumulative gross receipts from sales of tangible personal property delivered into Idaho	N/A	7/1/2018 (referral) 6/1/2019 (100K)
Illinois	Enacted	\$100K sales or 200 transactions	Determined on a quarterly basis, ending on the last day of March, June, September, and December, whether either threshold was met in the preceding 12-month period.	Sales of tangible personal property in the state, including exempt sales, but excluding sales for resale, occasional sales, sales not subject to Retailers' Occupation Tax, and sales of tangible personal property that is required to be registered with an agency of the state that are made from locations outside Illinois to Illinois purchasers	Transactions that are documented on separate invoices, regardless of the manner in which the tangible personal property is delivered to the purchaser As of 1/1/2020 it will not include sales made through a marketplace facilitator	10/1/2018

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Indiana	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue from any combination of: the sale of tangible personal property delivered into Indiana; a product transferred electronically into Indiana; or a service delivered in Indiana. Except where the marketplace facilitator has not met the thresholds, the sales of the seller made through the marketplace are not counted toward the seller	Not defined but where the marketplace facilitator has not met the thresholds, the transactions of the seller made through the marketplace are counted toward the seller	10/1/2018
Iowa	Enacted	\$100K sales	Immediately preceding or current calendar year	All retail sales of tangible personal property, services, or specified digital products sold into Iowa, or for delivery into Iowa, including taxable and exempt sales and sales made by a remote seller by any means, including sales made through a marketplace	N/A	1/1/2019 7/1/2019 (eliminated 200 transactions)
Kansas	Enacted	No threshold until 6/31/2021 \$100K sales as of 7/1/2021	Previous or current calendar year or the period of Jan. 1, 2021 to June 30, 2021	Cumulative gross receipts from sales by the retailer to customers in Kansas	N/A	10/1/2019 7/1/2021 (100K)
Kentucky	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross receipts derived from the sale of tangible personal property or digital property delivered or transferred electronically to a	Not defined, but including sales made through a marketplace facilitator.	10/1/2018

				purchaser in this state, including sales made through a marketplace facilitator		
Louisiana	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue of sales of tangible personal property, products transferred electronically, or services delivered into the state, including exempt sales, but excluding sales made through a marketplace facilitator	Not defined	Effective 7/1/2019 Enforced 7/1/2020
Maine	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue from sales of tangible personal property or taxable services delivered in or into the state, including sales exempt of tax	Each invoice generated from a Maine sale is considered a separate transaction	7/1/2018
Maryland	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue from the sale of tangible personal property or taxable services delivered in the state, including tax-exempt transactions and Maryland tax-exempt revenue, e.g. sales for resale, sales to tax exempt entities, and sales of exempt items, as well as sales made through a marketplace facilitator	Not defined, but including sales made through a marketplace facilitator.	10/1/2018
Massachusetts	Enacted	\$500K sales AND 100 transactions (“cookie nexus”) (repealed as of 9/30/2019)	Cookie: After 2018, the preceding calendar year. For the period beginning October 1, 2017 through December 31, 2017, during the preceding 12 months, October 1,	Cookie: Transactions completed over the Internet and made sales resulting in a delivery into Massachusetts 100K: Gross revenue from all sales of tangible	N/A	10/1/2017 (“cookie nexus”) 10/1/2019 (100K)

		\$100K sales as of 10/1/2019	<p>2016 to September 30, 2017</p> <p>100K: For the period beginning October 1, 2019 through December 31, 2019, the preceding 12 months, October 1, 2018 to September 30, 2019. For 2020 onward, the preceding calendar year but if the remote retailer passed \$100,000 in sales after November 1 of the prior year, the requirement is for the period beginning as of the first day of the first month beginning two months after the month in which the \$100,000 threshold is exceeded</p>	personal property or services delivered into the state, including sales exempt from tax, excluding sales made through a marketplace facilitator		
Michigan	Enacted	\$100K sales or 200 transactions	Previous calendar year	Sales of tangible personal products or services, including taxable and non-taxable and exempt, including sales made through a marketplace facilitator	Not defined, but including sales made through a marketplace facilitator	10/1/2018
Minnesota	Enacted	<p>\$100K sales from 10 or more transactions or 100 or more transactions until 9/30/2019</p> <p>\$100K sales or 200 transactions after 10/1/2019</p>	Prior 12 month period, calculated as of August 2017	Retail taxable and non-taxable sales of tangible personal property and services including exempt sales but not sales for resale, but including sales through any marketplace, your own website, and through other sources	A retail sale is one sales transaction. One sale into the state may contain 10 items for one customer but that transaction counts as one retail sale	<p>10/1/2018 (10 transactions)</p> <p>10/1/2019 (100K)</p>
Mississippi	Enacted	\$250K sales	Any consecutive twelve-month period	Sales into the state, including wholesales and those taxable under sales	N/A	9/1/2018

				and use statutes, excluding sales made through a marketplace facilitator		
Missouri	Awaiting signature of the governor	\$100K	Previous or current calendar year	Total gross receipts of sales of tangible personal property delivered into the state	N/A	1/1/2023
Montana	N/A	N/A				N/A
Nebraska	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Total retail sales of property, excluding sales from resale, sublease, or subrent, including sales made through a marketplace facilitator	Not defined, but including sales made through a marketplace facilitator	1/1/2019 If engaged in business in Nebraska before 3/21/2019 and met either threshold then must be licensed immediately and begin reporting sales effective 1/1/2019 Must begin collecting sales tax on 4/1/2019 if exceeded the threshold in 2018 or the first two months of 2019
Nevada	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross revenue from retail sale of tangible personal property	Not defined	10/1/2018
New Hampshire	Enacted anti-Wayfair bill	Requires a “foreign taxing authority” to provide written notice to the NH DOJ at least 45 days before imposing a sales or use tax				N/A

		liability on a New Hampshire remote seller or conducting an examination to determine liability				
New Jersey	Enacted	\$100K sales or 200 transactions	Current or prior calendar year	Gross revenue from sales of tangible personal property, specified digital products, or taxable services, including nontaxable retail sales and sales made through a marketplace facilitator, but excluding sales for resale	Not defined, but including sales made through a marketplace facilitator	11/1/2018
New Mexico	Enacted	\$100K sales	Previous calendar year	Taxable gross receipts from sales, leases, and licenses of tangible personal property, sales of licenses and sales of services and licenses for use of real property sourced to the state.	N/A	7/1/2019
New York	Enacted	\$500K sales AND 100 transactions	Immediately preceding four sales tax quarters - the sales tax quarters are: March 1 through May 31, June 1 through August 31, September 1 through November 30, and December 1 through February 28/29	The amount received for all sales of tangible personal property delivered into New York, whether taxable or exempt, without any deductions for expenses, including sales made through a marketplace facilitator	Each invoice, sales slip, contract, or other memorandum of sale issued for the sale of tangible personal property delivered into New York State, whether taxable or exempt, including sales for resale and sales made through a marketplace facilitator	6/21/2018
North Carolina	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Total of the sales price of all sales of tangible personal property, digital property, and services sourced to the state including taxable sales,	Not defined but including sales made through a marketplace facilitator	11/1/2018

				sales for resale, exempt sales, nontaxable sales, and marketplace-facilitated sales		
North Dakota	Enacted	\$100K sales	Previous or current calendar year	Gross sales of tangible personal property and other taxable items delivered in the state	N/A	10/1/2018 1/1/2019 (eliminated 200 transactions)
Ohio	Enacted	\$500K sales AND “cookie nexus” until 7/31/2019 \$100K or 200 transactions as of 8/1/2019	Previous or current calendar year	Gross receipts from the sale of tangible personal property for storage, use, or consumption in this state or from providing services the benefit of which is realized in this state	Not defined	1/1/2018 (“cookie”) 8/1/2019 (\$100K or 200)
Oklahoma	Enacted	\$10K sales (collect or notice & report) until 10/31/2019 \$100K (collect) as of 11/1/2019	Preceding calendar year	Aggregate sales of taxable tangible personal property, excluding sales made through a marketplace facilitator where the marketplace facilitator collects the tax	N/A	7/1/2018 (10K) (collect or notice and report) 11/1/2019 (100K) (collect)
Oregon	N/A	N/A				N/A
Pennsylvania	Enacted	\$10K sales (collect or notice and report) until 6/30/2019 \$100K sales (collect) as of 7/1/2019	Preceding calendar year	All sales, leases and deliveries of tangible personal property, and sales of services, including nontaxable sales, excluding sales made through a marketplace facilitator who collects tax on its behalf	N/A	4/1/2018(\$10K) (collect or notice and report) 7/1/2019 (\$100k) (collect)
Rhode Island	Enacted	\$100K sales or 200 transactions	Preceding calendar year	Gross revenue from the sale of tangible personal property, prewritten computer software	Not defined	8/17/2017 (collect or notice and report)

				delivered electronically or by load and leave, vendor-hosted prewritten computer software, and/or taxable services		7/1/2019 (collect – eliminated notice and report)
South Carolina	Enacted	\$100K sales	Prior or current calendar year	Total gross revenue from all sales of tangible personal property delivered into the state, including all taxable retail sales, exempt retail sales, and wholesale sales of tangible personal property; the total gross revenue from all sales of products transferred electronically and services delivered into the state, whether or not the transfer of such product is subject to the state sales and use tax, including sales made through a marketplace facilitator	N/A	11/1/2018
South Dakota	Enacted	\$100K sales or 200 transactions	Prior or current calendar year	Gross revenue from the sale, rental or lease of tangible personal property, any product transferred electronically, or services delivered into the state	Not defined	11/1/2018
Tennessee	Enacted	\$500K sales until 9/30/2020 \$100K sales as of 10/1/2020	Prior 12 month period	Gross retail sales of products and services, including taxable and exempt sales, but excluding sales for resale and sales made through a marketplace facilitator	N/A	7/1/2019 (\$500K) 10/1/2020 (\$100K)
Texas	Enacted	\$500K sales	Preceding 12 calendar months	Gross revenue from the sale of tangible personal property and services for	N/A	Effective 1/1/2019

			Initial period will be 7/1/2018 -6/30/2019	storage, use, or other consumption in this state, including taxable and nontaxable sales, sales for resale, exempt sales, and separately stated handling, transportation, installation, and other similar fees, but excluding sales through a marketplace facilitator if it collected the tax		Enforced 10/1/2019
Utah	Enacted	\$100K sales or 200 transactions	Prior or current calendar year	Gross revenue from the sale of tangible personal property, any product transferred electronically, or services for storage, use, or consumption in the state	Not defined	1/1/2019
Vermont	Enacted	\$100K sales or 200 transactions	Any 12-month period preceding the monthly period with respect to which that person's liability for tax under this chapter is determined	All sales of tangible personal property products transferred electronically into the state including taxable and nontaxable sales and sales made through a marketplace facilitator	A sale transaction that is documented on a unique invoice, regardless of the manner in which the tangible personal property is delivered to the purchaser, and includes sales made through a marketplace facilitator	7/1/2018
Virginia	Enacted	\$100K or 200 sales	Prior or current calendar year	Gross revenue from retail sales of taxable tangible personal property or taxable services in the state, excluding sales made through a marketplace facilitator, and sales made by commonly controlled persons shall be aggregated	Not defined but excludes sales made through a marketplace facilitator	7/1/2019 But transactions before then may be included for thresholds

Washington	Enacted	\$100K sales	Prior or current calendar year	Cumulative gross receipts of all gross income sourced to the state, including exempt sales and sales made through a marketplace facilitator	N/A	10/1/2018 3/14/2019 (eliminated 200 transactions)
West Virginia	Enacted	\$100K sales or 200 transactions	Prior or current calendar year	Gross revenue from sale or lease of tangible personal property, custom software or a taxable service, including both taxable and non-taxable transactions.	Total transactions with West Virginia destinations regardless of whether the transaction is subject to or exempt from sales and use tax	1/1/2019
Wisconsin	Enacted	\$100K sales or 200 transactions	Previous or current calendar year	Gross sales including taxable and nontaxable sales of tangible personal property and services, including sales made through a marketplace facilitator	Each invoice is considered a “separate sale transaction”, and includes taxable and nontaxable sales, and those made through a marketplace facilitator. An invoice that has multiple products is considered one separate sale transaction. For leases and licenses, each required periodic payment is a separate sale transaction. A deposit made in advance of a sale is not a sale transaction	10/1/2018
Wyoming	Enacted	\$100K sales or 200 transactions	Prior or current calendar year	Gross sales, which includes the total revenue in Wyoming including taxable, exempt and wholesale sales	Each invoice is a transaction. If the sale involves a yearly subscription and the purchaser is able to make payments over time, this is one transaction	2/1/2019

