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## Sales Tax - New Legislation Wayfair Trends in 2019

STATE AND LOCAL TAX, TAX

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It appears that 2019 is bringing some new trends in *Wayfair* economic nexus legislation for sales and use taxes.

The most recent trend is that states such as North Dakota and Washington that initially used economic thresholds of \$100,000 in sales or 200 individual transactions have decided to drop the 200 individual transactions threshold, leaving a sale threshold of \$100,000. Georgia, which is currently using a \$250,000 or 200 transactions thresholds, has introduced legislation this year to eliminate the 200 individual transaction threshold and to reduce the dollar threshold from \$250,000 to \$100,000. If the legislation becomes law, it is expected to take effect July 1, 2019. This single threshold of \$100,000 in sales also appears in new *Wayfair* legislation in Idaho, Kansas and Oklahoma.

As states are looking for more efficient ways to collect sales tax, we see another trend emerging with a growing number of states applying economic nexus thresholds, to marketplace providers. In 2019, economic nexus thresholds are being applied to marketplace providers by states that already enacted economic nexus standards on remote sellers last year. Alabama and Iowa started applying their economic nexus thresholds to marketplace providers on January 1. South Dakota did the same, starting on March 3; District of Columbia will begin applying its standards to marketplace providers on April 1 and Wyoming is to start on July 1. The aforementioned states with pending *Wayfair* legislation thresholds in Georgia, Idaho, Kansas and Oklahoma also include marketplace providers in addition to remote sellers.

We will write on more developing trends as states interpret the significance of the *Wayfair* opinion and finalize their fiscal year budgets.

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