The Buy From a Black Woman Sales & Use Tax Checklist

Created in collaboration with Zawadi Tax
1. DETERMINE NEXUS

☐ Find out what type of activity and frequency or duration your business engages in – Trade shows, sales agents going into states, traveling into a state for client visits, etc.

☐ Determined your nexus footprint
  ☐ Physical Nexus
  ☐ Click-Through or Affiliate Nexus
  ☐ Economic Nexus Threshold (Revenue and Transaction Code)
  ☐ Marketplace Nexus

☐ Create your nexus footprint – the list of states where you have nexus

2. DETERMINE TAXABILITY OF PRODUCTS/SERVICES

☐ List your products and services

☐ Determine if your products/services are taxable in the states where you have nexus
  ☐ If taxable, charge, collect and remit tax to the state
  ☐ If not taxable, state may still require the business to register and file a zero return (since no tax will be collected)

3. REGISTER FOR SALES TAX IN STATES WHERE YOU HAVE NEXUS

☐ In states where you have nexus and products/services are taxable
  ☐ Determine which taxes the company will be required to collect or pay
  ☐ Read forms carefully when answering the average annual sales questions – Gather all information to register for a state’s sales tax ID.
  ☐ Determine if you need to register with the Secretary of State
  ☐ Determine if there are local business licenses required based on the company’s activity

☐ In states where you have nexus and products/services are not taxable
  ☐ Determine if state still requires registration and a zero return

☐ If no nexus, are you subject to notice and reporting requirements?
4. ONGOING SALES TAX MAINTENANCE

☐ Once registered to collect or pay sales tax and use tax in a jurisdiction, file the return on a timely basis. Jurisdiction will inform you of the filing frequency. Both filing of return and payment of the tax are due by that date

☐ Track and pay consumer use tax on purchases

☐ Renew Exemption Certificates are needed – Renewal period vary from state to state. Ensure certificate is complete and accurate

☐ Issue exemptions and/or resale certificates

☐ Maintain taxability decisions – keep up with states laws for any taxability changes

☐ Monitor sales and use tax rate changes at state and local level

5. REGISTRATION UPDATES

☐ Update your sales tax registration if any of the following happen: address changes, new location in the state, officer change, preparer changes, power of attorney changers

☐ Monitor business license requirements for new locations or employee relocations

This checklist was created in collaboration with Zawadi Tax. Zawadi Tax assist start-up companies and mature businesses to navigate the world of sales tax. To learn more about how they can help you tackle the challenging world of sales tax, visit: www.zawaditax.com.