



THE BUY FROM A BLACK WOMAN SALES & USE TAX CHECKLIST

Created in collaboration with Zawadi Tax

- Single
- Married

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.