

# Sales Tax Risk Cheat Sheet for Accountants

## Quick Questions to Ask Clients

- Have you had a comprehensive sales tax nexus study performed in the last 12 months?
- Do you sell [certain products](#) that might be exempt from tax? Are you sure they're exempt?
- Are you paying sales tax on any purchases for resale? (*Money saving opportunity!*)

## Sales Tax Nexus

If a business has “nexus” in a state it means that they need to collect and remit sales tax. There are many ways a business can create nexus, but the two most common ways are **physical presence** and **economic nexus**.

### Economic Nexus

- Economic nexus thresholds vary per state, but usually if a business makes over \$100,000 in sales or 200 separate transactions, then they might need to pay sales tax to that state.
- States vary in what is included in the threshold and what time periods to include. [TaxValet's economic nexus spreadsheet can be found here.](#)
- TaxValet's team can provide a free high-level economic nexus review.

### Physical Presence

- Do they have employees or contractors outside of their home state?
- Do they use fulfillment warehouses (like Amazon FBA)?
- Do they display or sell products at out-of-state trade shows? [See blog post here.](#)
- Do they advertise online? Some states indicate that simply advertising online will create sales tax nexus [\(Yes, really! See our blog post here\)](#).

## Introducing a Client to TaxValet

If any of these situations apply, please send an email to [hello@thetaxvalet.com](mailto:hello@thetaxvalet.com) to introduce us to your client. We will schedule a free sales tax consultation with them and to see if TaxValet's [Sales Tax Compliance Suite](#) might be a good fit for their needs. You are also welcome to join the call!

In the event we're not the best fit, we'll connect them with someone who is.