GUIDE

How to get a sales tax permit

You get a sales tax permit by registering with the revenue department in each state where you have to collect sales tax, before your first taxable sale there. Most states register you online for free with your EIN, business details and expected sales. Forty-five states and Washington, DC have a statewide sales tax.

QUICK FACTS

- **When.** Register before your first taxable sale in a state where you have nexus
- **Cost.** Most states charge nothing, a few charge a small fee or ask for a deposit
- **Where.** Alaska, Delaware, Montana, New Hampshire and Oregon have no statewide sales tax

Do I need a sales tax permit?

You need one in a state if you sell taxable goods or services there and have nexus. Nexus comes from:

- A physical presence: an office, store, warehouse, employees or inventory in the state
- Economic nexus: sales into the state above its threshold, most often $100,000 a year, since the Supreme Court's 2018 Wayfair decision
- Other ties some states use, like affiliates or click-through referrals

Our economic nexus thresholds by state post lists each state's test.

What do I need to apply?

- Your EIN, or SSN for a sole proprietor without one
- Legal business name, entity type and formation date
- Owner or officer names, addresses and SSNs
- Business address, the addresses of any locations in the state and a start date
- What you sell, often as a NAICS code, and estimated monthly sales

Most states issue a permit number within days online. Our state tax forms and registration links page links to each state's agency.

General information, not tax advice for your situation.

How often will I file?

The state assigns monthly, quarterly or yearly filing, based on how much tax you expect to collect. You file every period, even with no sales, until you close the permit. Missing zero returns is one of the most common reasons for penalties. Our sales tax tracker keeps the dates straight.

Can I register in many states at once?

The Streamlined Sales Tax Registration System lets you register in all of its member states with one free form. Other states need their own applications. Sales through a marketplace like Amazon or Etsy are usually collected by the marketplace, but you may still need a permit for your direct sales.

What is a resale certificate?

Your sales tax permit usually lets you buy goods for resale without paying sales tax, by giving the seller a resale or exemption certificate. Keep the certificates your own customers give you, too, because an auditor will ask for them on every exempt sale.

Want help registering?

Our sales tax service checks where you have nexus, registers you in each state and files the returns every period.

Common questions

Is a sales tax permit the same as a business license?
No. A sales tax permit lets you collect and remit sales tax to the state. A business license comes from your city, county or state and lets you operate there.

How much does a sales tax permit cost?
Most states charge nothing. A few charge a small fee, and some may ask for a security deposit from new or out-of-state sellers.

Do I need a permit if I only sell online?
Yes, in any state where your sales pass the economic nexus threshold, unless a marketplace collects all the tax for you.

What happens if I sell without a permit?
You can owe the tax you should have collected, plus penalties and interest, out of your own pocket.

Selling in more than one state?

We check where you owe and file the returns. Book a free 30-minute call at eminenttax.com/contact or call (972) 347-4590.

eminenttax.com