



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 8

August 2017

In This Issue

[The Nexus Discussion- Some Practical Examples](#)

[Ohio's New Online Sales Tax: Now Cookies Can Create Nexus?](#)

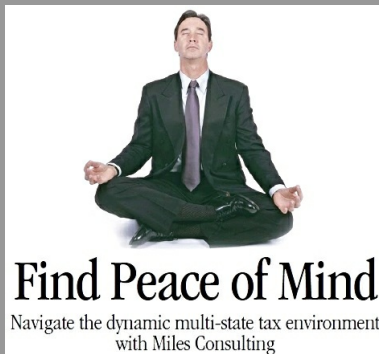
[Amnesty Program Directed at FBA Sellers](#)

[State of the Month- South Dakota](#)

[Solar Eclipse & Rainmaking- Is there a Connection?](#)

[What's Up at Miles Consulting](#)

Download Our Brochure



Quick Links

[Visit Miles Consulting](#)

Connect With Us



Greetings!

Did you see the eclipse this week? For a brief moment, it seemed that our whole country was united by the wonder of it. Whether you were in an area of partial eclipse or "totality" (I was lucky enough to be), it was a fun time to pause and look skyward in some funky glasses and just be in the moment.

"In the moment" in state tax is an interesting time right now as well. While we still spend a lot of time talking with clients about nexus, we are challenged daily with new state legislation attempting to expand the reach of state taxing authorities. Our articles in this month's newsletter show that interesting spectrum.

Check out articles on nexus and some practical examples of how it can be created. Our discussion of states on how they view sales tax continues. This month we take a look at Ohio online sales tax, and we also take a look at an interesting new amnesty program that is underway for businesses using fulfillment services like FBA. Lastly, we put our state spotlight on South Dakota, the home of Mt Rushmore. And on the rainmaking front, see our article about the tie in to the solar eclipse.

Happy Summer,
Monika Miles
Miles Consulting Group, Inc.



THE NEXUS DISCUSSION- SOME PRACTICAL EXAMPLES

Almost every conversation in and around state tax consulting begins with nexus. Why? Because it's still of utmost importance to companies to know whether they

Contact Us

Address: 3150 Almaden Expressway, Suite 237

Phone: 408.266.2259

Fax: 408.266.6284

Email:

info@milesconsultinggroup.com

Join Our Mailing List!

have nexus, or taxable presence, in a state such that the state can require them to register to collect and remit sales tax and/or to pay income based or franchise taxes. If a company doesn't have taxable presence, then they are not obligated to file in a particular state. I've been practicing in state tax for longer than I care to admit, and I still have this conversation daily with existing clients and new clients as we talk about their potential exposure to taxes in multiple states. It doesn't help that states are getting more aggressive and creative (maybe a little too aggressive and creative) in defining what constitutes nexus.



[Click here to read more about Nexus.](#)

OHIO'S NEW ONLINE SALES TAX: NOW COOKIES CAN CREATE NEXUS?

What do cookies, [nexus](#) and online sales tax have to do with each other? States are continuing to look for ways to justify charging sales tax to internet retailers; Ohio just took a page out of Massachusetts' book.



While Massachusetts passed a directive canceling the "cookies directive" before it was enacted, the idea isn't gone. [Bloomberg BNA](#) reports that Ohio's most recent budget (signed this past June 30) included, "A little-discussed provision that may require internet retailers to collect and remit sales tax if they [make sales into the state in excess of \$500,000 and] use cookies on their websites." But is this legal?

[Click here to read more about Ohio's online sales tax.](#)

AMNESTY PROGRAM DIRECTED AT FBA SELLERS

There is a new scheduled amnesty program that may help businesses correct overlooked tax obligations if they have been selling products and services in other states. Many companies



engage in multi-state sales through an intermediary, like Amazon, eBay and similar organizations called "fulfillment services." The fulfillment centers place a seller's inventory in warehouses in multiple states to expedite shipping, but in the process, create nexus for the seller in those states. As such, the sellers have an obligation to collect sales tax and pay income tax. Unfortunately, unpaid taxes may incur penalties and interest. Now there may be a short time window to correct these errors and avoid interest and penalties.

[Click here to read more about this amnesty program.](#)

STATE OF THE MONTH- SOUTH DAKOTA

This month takes us to the Mount Rushmore state of South Dakota. South Dakota is the 5th least populous state in the U.S., with a population of 865,454 people in 2016. It is also the 5th least densely



populated state in the country. South Dakota is in the north-central United States, and is considered part of the Midwest by the U.S. Census Bureau. It is also part of the Great Plains region, which covers most of the western two-thirds of the state. West of the Missouri River the landscape becomes more and more rugged, consisting of rolling hills, plains, ravines, and steep flat-topped hills called buttes. In the south part of the state, east of the Black Hills, lies the Badlands of South Dakota. Erosion from the Black Hills, marine skeletons that fell to the bottom of a large shallow sea that once covered the area, and volcanic material, all contribute to the geology of this area.

[Click here to read more about South Dakota's tax landscape.](#)

SOLAR ECLIPSE & RAINMAKING- IS THERE A CONNECTION?

On August 21st, the United States witnessed its first full coast to coast solar eclipse in 99 years. And in a few select locations across the country people were lucky enough to experience "totality",



where the moon completely blocked out the light of the sun and cast darkness for about two minutes. I was lucky enough to find myself in Fountain Inn, South Carolina, which was in the path of totality. It was an incredibly lucky experience! Americans all over the country planned trips to these cities of totality - some for months or even years prior to the event. Hotel rooms had been booked full for a long time and were fetching outrageous rates.

[Click here to read more about the solar eclipse and its link to rainmaking.](#)

What's Up at Miles Consulting?

Speaking: Some upcoming webinars that Monika will be presenting:

- August 30, "How to Start the Sales and Use Tax Conversation with a Client." To get more information and register for the webinar, [click here](#).
- September 22, "Helping Foreign Companies deal

with U.S. Multi-state Tax Issues.

- October 20, "Multi-state Sales Tax Topics for Technology Companies."

Each of these webinars will be given through CPA Academy. [Click here](#) to register for these webinars.

Networking:

[NAWBO SV](#)- As the Immediate Past President of the National Association of Women Business Owners, Monika invites you to its meeting on Tuesday, September 19. Janice Edwards, of Edwards Unlimited, will be speaking about 5 Steps to Being the Star in the "Talk Show" of Your OWN Life. [Click here for more details.](#)

[AFWA](#) - As a member of the Accounting & Financial Women's Alliance, Monika invites you to its next membership meeting on September 26th. The speaker will be Eileen Perry from PwC who will be speaking about Revenue Recognition. [Click here for more details.](#)

Educating:

Don't forget - We do customized multi-state tax presentations for local accounting firms; invite us to do one at your firm! Stay tuned for upcoming webinars!

For more information, please call us at 408-266-2259.

About Miles Consulting

Miles Consulting Group is a professional services firm specializing in multi-state tax solutions. We address state and local tax issues for our clients, including general state tax consulting, nexus reviews, credits and incentives maximization, income tax and sales/use tax planning, and other special projects. We also specialize in California tax credits and incentives. For more information visit, www.milesconsultinggroup.com.