



# STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 3 | March 2021

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## Greetings!



Welcome spring! The new season has arrived, with the vernal equinox occurring on March 20. I think we are all ready for some warmer and sunnier weather. So, let's dust off those lawn chairs, pull out the shorts, and have a socially distanced picnic in the park of your choice!

Happy Anniversary to Miles Consulting Group! We celebrate our 19th year anniversary this month. It seems like just yesterday that it was early 2002 and I was hanging up my "Big 4 sneakers" to run off and start a state tax consulting firm. The firm has changed over the years, from the people, the clients, the projects, and even our specialties. We've had many more good years than we have challenging ones, and looking back even those weren't so bad – they were just learning opportunities. For a couple of years, we had to make lemonade out of the lemons! Just for fun the other day, I checked out which other companies were founded in 2002; would you believe – Wayfair? What's the old adage – there are no coincidences!?! As we take a moment to reflect on 19 years of serving clients in the multistate tax space (and parts of the last 3 years helping them to navigate the ramifications of ***South Dakota v. Wayfair (2018)***), we'd like to say thank you to all of our family, friends, clients and colleagues who have contributed to our success. We look forward to sharing our 20<sup>th</sup> year with you as well!

Please check out our multistate articles in this month's newsletter. We share some news that Maryland has now jumped aboard the bandwagon to tax SaaS and digital products. We discuss how states have benefited from the Wayfair decision, and also give you an update on the taxation of remote workers. Our state spotlight is on Hawaii, the Aloha

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State. On the international front, a guest blog written by our colleague Richard Barrett (from Vatglobal) from the UK discusses some post Brexit issues in the EU and in the UK.

Happy Spring!

Fondly,  
Monika Miles & Bill Loew  
Miles Consulting Group, Inc.

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## MARYLAND JUMPS ABOARD THE BANDWAGON TO TAX SAAS AND DIGITAL PRODUCTS

Readers of this blog know that we regularly post about states which tax SaaS and digital products, because so many of our clients face these issues. Now,

Maryland has enacted House Bill (HB) 932 that will subject Digital Products such as e-books, songs and movies along with electronically delivered software, including Software as a Service (“SaaS”) to sales and use taxation. The legislation becomes effective on March 14, 2021.



[Click here to read more about how Maryland has jumped aboard the bandwagon to tax SaaS and digital products.](#)

## POST-BREXIT ISSUES IN THE EU AND IN THE UK

In our multistate practice, we often receive questions about doing business internationally. It's important, in that case, to have a good referral partner for VAT and GST work, which Miles Consulting does not specialize in. We are pleased to feature another article this week by our colleague Richard Barrett of [Vatglobal](#) describing the new landscape of doing business in a post-Brexit world. In our [recent blog](#), we highlighted the Brexit transition period has now come to end, and the UK is no longer



part of the EU for VAT purposes. This change brings with it a host of changes to the VAT treatment of supplies, many of which will directly impact US businesses who engage in transactions in the UK and EU. Richard has highlighted some of the key areas that have changed.

[Click here to read more about Post-Brexit Issues in the EU and the US.](#)

## HOW STATES HAVE BENEFITED FROM THE WAYFAIR DECISION

Over the last several years, the U.S. Supreme Court's decision in [\*South Dakota v. Wayfair\*](#) has led to rule changes regarding online sales tax in almost every state in the country. The ruling, that South Dakota's economic nexus law was constitutional and that the state could require companies who met certain sales thresholds to collect and remit sales tax on sales to South Dakota customers, even if the company had no physical presence, has impacted states, retailers, online marketplaces and even brick-and-mortar businesses.



[Click here to read more about how states have benefited from the Wayfair decision.](#)

## AN UPDATE ON THE TAXATION OF REMOTE WORKERS

When the U.S. began to feel the full brunt of the COVID-19 pandemic, businesses from every industry transitioned their employees to remote working. A year later, many of those employees are still working remotely.



[Click here to read more about the taxation of remote workers.](#)

## FOCUS ON HAWAII

Aloha! This month we travel west to the island paradise of Hawaii. In the state, you can attend a luau to experience true Hawaiian culture, relax on the beach or hike in one of the many tropical forests or mountains.



[Click here to learn more about the tax landscape in Hawaii.](#)

## What's Up at Miles Consulting?

### Networking:

#### [NAWBO-SV](#)

Due to the coronavirus, NAWBO'S events are now virtual. You can join us on the 3rd Tuesday of each month at 4:30 for informative Zoom calls on a variety of topics. Entry is free for both members and non-members at this time. Join us for camaraderie, information sharing and a glass of wine!

#### [AFWA](#)

Due to the coronavirus, AFWA's events are currently suspended. Stay tuned to updates on upcoming events.

### Educating/Speaking:

Our blogs are frequently featured on [Tax Connections](#).

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 & taxability reviews, audit support, voluntary disclosure agreements, and other special projects. We also specialize in SaaS and other technology industries. For more information, visit [www.milesconsultinggroup.com](http://www.milesconsultinggroup.com).*