



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 10

October 2018

In This Issue

[The Wayfair Case Continues to Make Headlines](#)

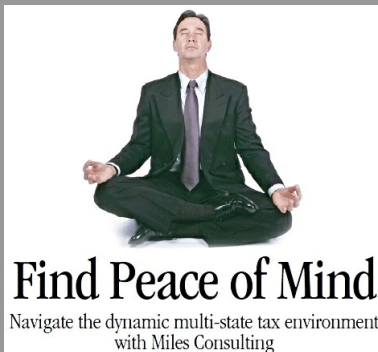
[States' Reactions to Online Sales Tax: What you Need to Know](#)

[What You Need to Know About the Taxability of SaaS in 3 Middle States](#)

[Focus on Kansas](#)

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

Download Our Brochure



Quick Links

[Visit Miles Consulting](#)

Connect With Us



Contact Us

Greetings!

October brings us falling leaves, Halloween, breast cancer awareness month, the return of hockey (Go Sharks), and the baseball playoffs. It also finally signals the end of most of tax return filings for our tax compliance colleagues. And the month seems to have flown by!

If you have noticed the days getting shorter, they unfortunately are about to get even shorter. Daylight savings time comes to an end on November 4. So be sure to change your clocks back one hour, as we get to enjoy one more hour of sleep.

As you sip your pumpkin spice latte, check out some of the multi-state tax articles in this month's newsletter. We wrap up our series on the taxability of SaaS around the country. The Wayfair case continues to make headlines as we discuss whether California and Texas are going to enact economic nexus legislation. Also, pertaining to Wayfair, we take a look at how many states are reacting to online sales tax. Lastly, we put our state spotlight on the Great Plains state of Kansas, which is home to the first Pizza Hut Restaurant! Bon appetit!

Happy Fall!,
Monika Miles
Miles Consulting Group, Inc.



THE WAYFAIR CASE CONTINUES TO MAKE HEADLINES

It's been over four months since the Supreme Court handed down its landmark decision in *South Dakota v. Wayfair Inc.*, which made it easier for companies to create nexus in states. In turn, this made it easier for states to collect sales tax revenue from companies doing

Address: 3150 Almaden
Expressway, Suite 237
San Jose, CA 95118

Phone: 408.266.2259
Fax: 408.266.6284

Email:
info@milesconsultinggroup.com

Join Our Mailing List!

business in the state.

The Supreme Court's ruling did not automatically make this the law of the land for all 50 states. The high court's decision was that South Dakota's economic nexus law was constitutional. Since this ruling, states have been jumping on the economic nexus bandwagon by enacting similar legislation. As we describe in a [recent blog](#), economic nexus is based upon the amount of sales or number of transactions in the state. If a certain threshold is met, nexus is deemed to be created.



[Click here to read more about whether California and Texas will be enacting economic nexus legislation.](#)

STATES' REACTIONS TO ONLINE SALES TAX: WHAT YOU NEED TO KNOW

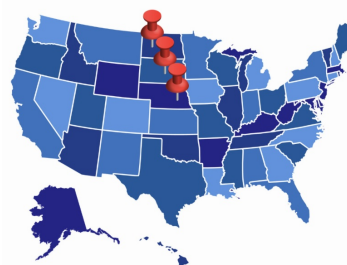
If you've been following the [Wayfair case](#), you know the Supreme Court upheld South Dakota's online sales tax legislation (related to economic nexus), creating precedent for other states to create and implement similar measures. But, as we explained in a [recent blog post](#), this doesn't automatically mean all 50 states are charging taxes on internet purchases.



[Click here to find out how states' are reacting to online sales tax.](#)

WHAT YOU NEED TO KNOW ABOUT THE TAXABILITY OF SAAS IN 3 MIDDLE STATES

In the wake of the [Wayfair decision](#), there are a lot of questions surrounding sales taxes across the many U.S. states. While many queries we receive revolve around establishing physical presence and nexus for retail items, the next important question a company must always ask is, "If I have nexus, is my product taxable?" In that regard, there are a few areas many business often overlook: [Software-as-a-Service](#) (SaaS), cloud computing and electronically



downloaded software. Are these items taxable? It depends.

A few months ago we explored the taxability of SaaS, cloud computing and electronically downloaded software in 15 states across the country; today we're taking a look at the tax ramifications of three more states: [North Dakota](#), [South Dakota](#) and [Nebraska](#).

[Click here to read more about the taxability of SaaS in the middle states.](#)

FOCUS ON KANSAS

This month brings us to the center of the country, the Great Plains state of Kansas. Kansas is a Midwestern state that epitomizes the U.S. Heartland with its Great Plains setting of rolling



wheat fields. The Museum of World Treasures in Wichita, the state's largest city, covers world history from dinosaurs to Elvis, while the open-air Old Cowtown Museum highlights the city's pioneer past. In nearby Hutchinson, the Cosmosphere displays the Russian Vostok and Apollo 13 spacecrafts.

[Click here to read more about the tax landscape in Kansas and the first Pizza Hut Restaurant!](#)

What's Up at Miles Consulting?

Networking:

[NAWBO SV](#)

As a Past President of the National Association of Women Business Owners, Monika invites you to its next meeting on November 13th. The meeting will focus on finance strategies to better propel your business to be financially sound. To register for this event, [click here](#).

[AFWA](#)

As a member of the Accounting & Financial Women's Alliance, Monika invites you to its Holiday Party on Tuesday, Dec. 11th.

Speaking:

- Monika will be speaking about the Wayfair case and other sales tax hot topics at the AWFA National Conference in Kansas City, MO on Monday, Oct. 29th.
- Monika will also be speaking at the CalCPA SVSJ Tax Group on the Wayfair case and other sales tax hot topics at Abbott Stringham & Lynch on Nov. 13th. To register for this event [click here](#).

Educating:

Monika is a featured blogger at [SalesTaxSupport](#). Check out her latest blog [here](#) about the California Manufacturer's Sales Tax Exemption.

Philanthropy: We're raising funds in the fight against breast cancer again. It's my 20th year and my goal this year is \$20K. [Click here](#) to check out my page.

Don't forget - We do customized multi-state tax presentations for local accounting firms, specifically related to Wayfair; 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 SaaS and other technology industries. For more information visit, www.milesconsultinggroup.com.