

Tax Alert Regarding the United States Supreme Court Decision

South Dakota v. Wayfair

On June 21, 2018, the United States Supreme Court delivered its opinion in *South Dakota v. Wayfair, Inc., et al.* The opinion overturned the Supreme Court's holding in *Quill Corp. v. North Dakota* that an out-of-state vendor must have physical presence in the taxing state before the state can require the vendor to collect and remit sales tax.

The purpose of this Tax Alert is to provide immediate guidance to vendors who sell or deliver tangible personal property or a taxable service for use in Maryland. The Comptroller's office shall provide additional guidance as further developments occur in the *Wayfair* proceedings.

I'm already collecting and remitting Maryland sales tax, should I continue?

Yes, if you are already collecting and remitting sales tax to Maryland, either directly or through a third party, you should continue to collect and remit sales tax.

I have not been collecting and remitting Maryland sales tax, should I start?

Pursuant to Maryland law, the Comptroller's Office shall impose sales tax collection requirements as broadly as is permitted under the United States Constitution. If you sell or deliver tangible personal property or a taxable service for use in Maryland, you should review and analyze the United States Supreme Court's decision in *South Dakota v. Wayfair, Inc.* to identify how it affects you. A copy of the decision is available at the following link: https://www.supremecourt.gov/opinions/17pdf/17-494_j4el.pdf?mod=article_inline

I want to start collecting and remitting now, what should I do?

If you will make sales in Maryland, you will need to obtain a sales and use tax license. To obtain one, complete a Combined Registration Application. The application not only allows you to register for a sales and use tax license and other tax accounts. You can complete a Combined Registration Application at the following link: <https://interactive.marylandtaxes.gov/webapps/comptrollercra/entrance.asp>

For additional information on filing Maryland sales and use tax returns, please see the following link:

http://taxes.marylandtaxes.gov/Business_Taxes/Business_Tax_Types/Sales_and_Use_Tax/Filing_Information/

Has Maryland signed the Streamlined Sales Tax Agreement?

Maryland has not signed the Streamlined Sales Tax Agreement and is not a participating state.

I own a Maryland business and sell products to other states. Am I required to collect and remit sales tax to other States?

The Court's opinion confirmed that Maryland vendors may also be required to collect and remit sales tax to other states. The Comptroller's office cannot advise you on the application of other state's sales and use tax laws. If you have questions related to a specific state's sales and use tax laws and registration requirements, please contact that state directly.