

DOR: On October 1, out-of-state sellers will be required to collect sales tax

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CONTACT: Patty Mayers, Communications Director

608.266.2300 or DORCommunications@wisconsin.gov

Last month, the United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.*, a state can now require online and other remote sellers with no physical presence in that state to collect and remit the applicable sales or use tax on sales delivered into that state. Wisconsin will require collection beginning on October 1, 2018, consistent with existing Wisconsin statutes, which require all sellers to collect sales or use tax unless limited by federal law.

Standards for administering sales tax laws for online and other remote sellers will be provided by administrative rule. The rule will be consistent with the Court's decision in *Wayfair*, which approved a small seller exception for sellers who do not have annual sales of products and services into the state of (1) more than \$100,000, or (2) 200 or more separate transactions.

Wisconsin businesses, especially Wisconsin small businesses, will no longer be operating at a competitive disadvantage to out-of-state competitors that will now be required to collect the tax.

The Wisconsin Department of Revenue is notifying businesses and tax practitioners about the changes resulting from the *Wayfair* decision. More information about online and remote sellers collecting sales tax is available on the department's website. <https://www.revenue.wi.gov/Pages/Businesses/remote-sellers.aspx>