Tax Disruption in the Retail Industry

Brick-and-mortar retail is not dying – it is evolving. Legacy brick-and-mortar retailers are incorporating more digital strategies, and newer digital retailers are opening physical storefronts in strategic places. That’s because customer expectations these days are higher than ever before. Shoppers expect to get what they want – when and where they want it – and aren’t afraid to go elsewhere when a retailer falls short.

84% of shoppers say retailers should be doing more to integrate online and offline channels.

55% of online shoppers would prefer to buy from a merchant with a physical store presence over an online-only retailer.

2/3 of customers have made a purchase during the last six months that involved multiple channels.

Digital interactions influence 36¢ of every $1 spent in a physical retail location.

3 out of 4 customers say they are more likely to visit a store if its online information is useful.

Shifts towards digital commerce are putting downward pressure on state and local revenues.

In 2018, the U.S. Supreme Court will hear SD v. Wayfair. Either outcome will drive nexus disruption for retailers.

New taxes on digital commerce is a way for taxing authorities to keep their revenue stream flowing.

In 2017, U.S. retailers saw 1,357 tax rate changes, including 595 new tax rates, and almost 25,000 product taxability rule changes across the globe.

31 states will face some kind of revenue imbalance in the upcoming legislative session.