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State Corporate Income Tax E-Commerce Survey

Multistate companies increasingly sell purely electronic products and services to customers all over the country but have a physical footprint limited to one or two states. In fall 2017, Thomson Reuters sent a survey to state taxing agencies asking how these "pure e-commerce transactions" affect nexus and apportionment for state corporate income tax purposes.

48 JURISDICTIONS SURVEYED

17 — **PARTICIPATED**
AR, CA, CT, GA, HI, ID, IN, IA, KS, KY, MN, NE, NJ, ND, TN, TX, WI

21 — **DID NOT REPLY**
AL, AZ, DE, DC, FL, LA, ME, MA, MI, MS, MO, NH, NM, NC, OR, PA, RI, UT, VT, VA, WA

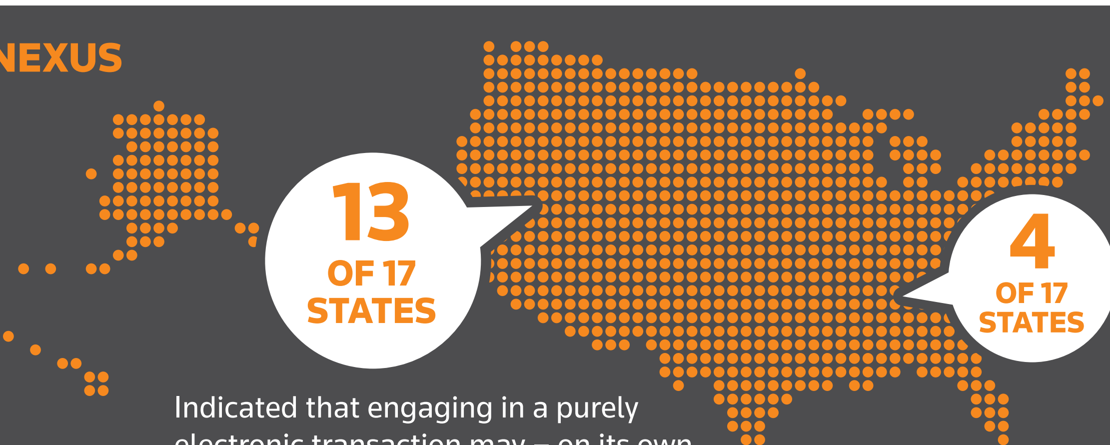
7 — **DECLINED TO PARTICIPATE**
AK, CO, IL, MT, NY, OH, SC

3 — **DID NOT RESPOND IN TIME**
MD, OK, WV

APPORTIONMENT

The states above have comprehensive rules addressing classification and sourcing of digital goods and services. Most states have little to no formal guidance, relying instead on the **facts and circumstances** of each sale.

NEXUS



Indicated that engaging in a purely electronic transaction may – on its own – create corporate income tax nexus.

Indicated that engaging in a purely electronic transaction will not – on its own – create corporate income tax nexus.

For more information on state treatment of corporate income taxation and e-commerce, visit checkpointcatalyst.com

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