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When you have a sales tax problem,
we are the solution!

631-491-1500 info@SalesTaxDefense.com



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Sales Tax on Mars?

The Mars One initiative is to build the first human colony on Mars in 2023. It is the first start of expansion beyond Earth's borders. Similarly, when ships left Europe to build settlements in America, America grew from 13 colonies to 50 states, each now with its own sales tax rules.



Currently, New York has specific rules regarding when an out of state business makes sales to New York customers or when out of state vendors must follow New York sales tax rules. One day, will these rules expand even to Mars? When an out of state business that has no nexus with New York makes sales to a New York customer, that business is not required to charge New York sales tax. Although, the New York customer is required to self-assess the appropriate amount of tax and pay it in to the state.

Many businesses think it is a seller's responsibility to charge sales tax, otherwise, they are not required to pay it. Unfortunately, if a New York customer does not self-assess tax when required to do so, on audit, the state will issue an assessment. In the future, if Mars makes sales to New York customers, will customers have to self-assess the tax?

What is nexus? Nexus is a connection with a state, whether it be from having inventory in the state, having an office in the state, or having salespeople in the state. But New York has now expanded nexus to include when an out of state business has an affiliated marketing relationship through an advertisement on the website of an instate business and pays that instate business commission for every person that clicks on that advertisement and makes a purchase. This is unofficially known as the Amazon rule.

New York appears to be continually expanding its net to capture more and more businesses under its sales tax rules. These sales tax rules may one day even expand to cover those living on Mars. When you have a question about whether your business or your client has nexus with a state, contact Sales Tax Defense. We are here to help!



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Success Story What are the Sales Tax Rules?

A company came to Sales Tax Defense wanting to know the sales tax rules. The New York company created television commercials and previews. It was never registered for sales tax, never collected sales tax, and never remitted sales tax. The company wanted to ensure it had a correct sales tax policy in place.

Sales Tax Defense met with the company to discuss its business and obtain the facts of its sales. We then outlined the rules the company should follow in a detailed memo. Furthermore, as we always do, we recommended that the company file sales tax returns even at times when no sales tax was due. Even filing zero returns is strongly beneficial as it starts the statute of limitations running regarding how far the state can go back and issue an assessment.

We registered the company as a New York State vendor, put together a sales tax policy, and put the company on the right track regarding sales tax in the future!

About Us

We are a dedicated team of tax professionals who have committed our careers to helping businesses and fellow professionals with tax problems. Since the only work we are focused on is solving tax problems, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

Sales Tax Defense LLC | Phone: 631-491-1500 | [Email Us](#)

[Visit our Website](#) | 2106 Deer Park Avenue, Deer Park, NY 11729

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