



DOWN GOES QUILL, DOWN GOES QUILL!



Quill Corporation v. North Dakota has shaped sales tax, namely sales tax nexus, since the Supreme Court issued its decision in 1992. This landmark case established the rule that a business must have a physical presence in a jurisdiction to be obligated to abide by that jurisdiction's sales tax rules. But now, with the recent Supreme Court ruling in *South Dakota v. Wayfair, Inc.*, the Quill case has been knocked out like Joe Frazier in his famous boxing match against George Foreman in 1973. Or more recently, like D-Bo in the 1995 cult classic movie Friday.

The ruling in *South Dakota v. Wayfair, Inc.*, has created more of an economic nexus whereby the gross sales into a state or number of transactions into a state can create nexus. Unfortunately, there is no exact definition of what creates economic nexus. The South Dakota law states that sales over \$100,000 into a state or more than 200 transactions into a state will create nexus. That was upheld by the Supreme Court. But what if a law in a different state says nexus is created with \$99,000 of sales or 199 transactions? Would that law be upheld? This is unclear since the Supreme Court only decides if a law is constitutional, it does not pass laws.

In this case, a law from Congress could clear up a lot of the issues and in submitting information to the Supreme Court ahead of the Wayfair case, many representatives stated they wanted to address this issue. But wanting to address this issue is one thing, addressing it is another, and actually passing legislation is a third. There does not appear to be any imminent laws to answer the questions.

The Quill decision being overturned has certainly generated a lot of questions but one answer remains the same: contact Sales Tax Defense LLC if you need help with sales tax nexus or any other sales tax issue!

AUDIT RESULTS IN MINIMAL USE TAX DUE!



A multimillion dollar company came to Sales Tax Defense LLC because they received notice from the Tax Department that they were selected for a sales and use tax audit. Due to its large volume of sales, the company was worried about its potential liability.

The auditor reviewed the company's sales, material purchases, expenses and fixed asset purchases. We worked with the company to compile all the necessary documentation refuting the areas from which the auditor believed additional tax was due.

After months of negotiations and speaking to the auditor's supervisor regarding specific issues, the audit resulted in minimal use tax due of approximately \$10,000.

ABOUT THE FIRM



We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

Since the only work we are focused on is sales tax consulting, 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 Sales Tax Defense LLC encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, WE ARE THE SOLUTION!

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"Shoutout to Mark L Stone, CPA. For sales tax advice and defensive representation, he is unparalleled."

-Paul R.

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