Will registration with my market states make me liable for any past use tax?

Registration alone does not make you liable for past uncollected use tax assuming you **did not** have a business presence in the state or collect tax on the state's behalf. If you **had** a business presence in the state, you are liable for past taxes due. **If you have a past tax liability in your market states, you should make a voluntary disclosure.** Contact the revenue agency in each of your market states for more details.

How do I register?

Contact the state revenue agency in each of your market states for information and registration forms. The SEATA Internet site at *www.seatastates.org* contains more information, including links to revenue agencies.

Alabama Department of Revenue
Sales, Use & Business Tax Division
P. O. Box 327710
Montgomery, AL 36132-7710
Telephone: (334) 242-1490

Arkansas Department of Finance and Administration
Sales and Use Tax Section
P. O. Box 8123
Little Rock, AR 72203-8123
Telephone: (501) 682-1895

Florida Department of Revenue
Return and Revenue Processing
Central Registration
5050 W Tennessee St.
Tallahassee, FL 32399-0100
Telephone: (850) 488-9750

Georgia Department of Revenue
Centralized Taxpayer Registration Unit
Century Center Bldg.
Suite 3100
1800 Century Blvd.
Atlanta, GA 30345-3205
Telephone: (404) 417-4490

Kentucky Department of Revenue
Registration Compliance Section
P. O. Box 1074, Station 65
Frankfort, KY 40602-1074
Telephone: (502) 564-3371

Louisiana Department of Revenue
Taxpayer Services Division
P. O. Box 201
Baton Rouge, LA 70821-0201
Telephone: (225) 219-7318

Mississippi Department of Revenue
Out-of-State Registration Section
P. O. Box 1033
Jackson, MS 39215-1033
Telephone: (601) 923-7700

North Carolina Department of Revenue
Taxpayer Assistance
P. O. Box 25000
Raleigh, NC 27640-0100
Telephone: (877) 252-3052 (toll free)

South Carolina Department of Revenue
Attention: License & Registration Unit
P. O. Box 125
Columbia, SC 29214-0140
Telephone: (803) 898-5872

Tennessee Department of Revenue
Taxpayer & Vehicle Services
Third Floor
Andrew Jackson State Building
500 Deaderick St.
Nashville, TN 37242
Telephone: (615) 253-0600

Virginia Department of Taxation
Office of Taxpayer Services
P. O. Box 1880
Richmond, VA 23282-1880
Telephone: (804) 367-8037 or 367-8038

West Virginia Department of Revenue
Field Auditing Division
P. O. Drawer 902
Charleston, WV 35323-0902
Telephone: (304) 558-8500

The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

Southeastern States

Information Exchange Program

SouthEastern Association of Tax Administrators

Kentucky
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Southeastern States
Information Exchange Program

Many businesses use multi-state marketing strategies to increase sales. While such strategies can be profitable for businesses, they can contribute to lost tax revenue for states. Through its Information Exchange Program, SEATA is helping reduce this revenue loss, which is estimated to be in the millions of dollars.

What is the Southeastern Association of Tax Administrators (SEATA)?

SEATA is a professional organization of tax administrators that promotes fair, equitable, and efficient tax administration. The SEATA member states are: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

What is the SEATA Information Exchange Program?

Because many states find it difficult to collect tax from businesses that operate across state lines, SEATA sponsors an exchange program to share tax information among its member states. This exchange of information helps ensure transactions are taxed fairly across state boundaries.

What is use tax?

States that impose a sales tax also tax the use of items brought into the state untaxed. This "use tax," as it is commonly called, complements the state sales tax. Untaxed items are taxed at the sales tax rate. While the seller is responsible for collecting and remitting sales tax, the customer or consumer is responsible for paying the use tax.

Use tax applies to untaxed items purchased out-of-state from sources such as mail order catalogs, the Internet, television shopping networks, auctions, and toll-free shopping services. The use tax is also imposed on items purchased during out-of-state travel, when the merchandise is shipped to the individual's home state.

Why is use tax important?

Use tax represents a large source of revenue for most states. If the tax goes uncollected, the lost revenue must be made up in other ways such as higher tax rates. If the use tax is collected, the state's overall tax burden is lightened.

How does the SEATA Program affect me?

The SEATA states are working together in two areas that may affect you and your customers.

Voluntary Remittance Registration—Businesses are encouraged to voluntarily register with their market states to collect sales tax from out-of-state customers. If you voluntarily register to collect tax, you can help prevent your customers from being billed by one of the Southeastern revenue agencies for use tax, penalty, and interest.

Audit Verification—Member states collect and exchange audited sales and purchases information on behalf of other member states. Customers who are identified through audit verification will be contacted for collection of use tax, penalties, and interest.

Why should I register to collect use tax for another state?

If you have a business presence in a state, you are required to register with that state for tax purposes. Examples of business presence (sometimes referred to as nexus) include having property in that state, making regular deliveries of your merchandise, providing repair services, or sending your representatives to solicit orders.

Even if you do not have a business presence in your out-of-state markets, your registration will provide a service to your customers and also eliminate the tax advantage that attracts customers to purchase across state lines. Residents who purchase untaxed merchandise out of state are liable for the use tax. When the untaxed transaction is discovered by the customer's state revenue agency, the customer will be billed for the use tax, penalty, and interest. The possibility of a dispute can arise over whose responsibility it is to collect the tax. While you may not be technically liable, good customer relations can be preserved by voluntarily registering. Each member state can provide specific information on voluntary use tax remittance registration.

What happens if I do not register voluntarily?

The member states exchange information on businesses and their interstate transactions. If you make sales into a member state and do not register, you could be audited by the member state with tax jurisdiction. If your business presence is established in any other member states, you may be liable for all unpaid taxes, penalties, and interest. If you do not have a business presence in a state and do not voluntarily register to collect the tax, your customers could be contacted for collection of the use tax, penalty, and interest on their purchases.

Will registration with my market states for use tax collection make me liable for other states?

Registration for use tax collection alone will not subject you to additional taxes in that state. However, if you have been liable for other taxes all along, you will still be expected to comply.