



Holiday Shoppers are Ready, but are Online Retailers?

Cyber Stores and Doorbuster Sales in a Post-Wayfair World

These are the days that retailers live for, and for good reason. Online retail sales are expected to skyrocket in 2018. However, with the recent *Wayfair* Supreme Court (SCOTUS) decision, states will be wanting their sales tax share. Hence there is no better time than the present to review your sales tax compliance systems.

Holiday Sales, Sales, and More Sales



Black Friday

A day coined in the early 1950's by Philadelphia police officers. They were overworked by the large crowds that were drawn to the city (post-Thanksgiving) by holiday shopping sales and the annual Army-Navy football game.¹

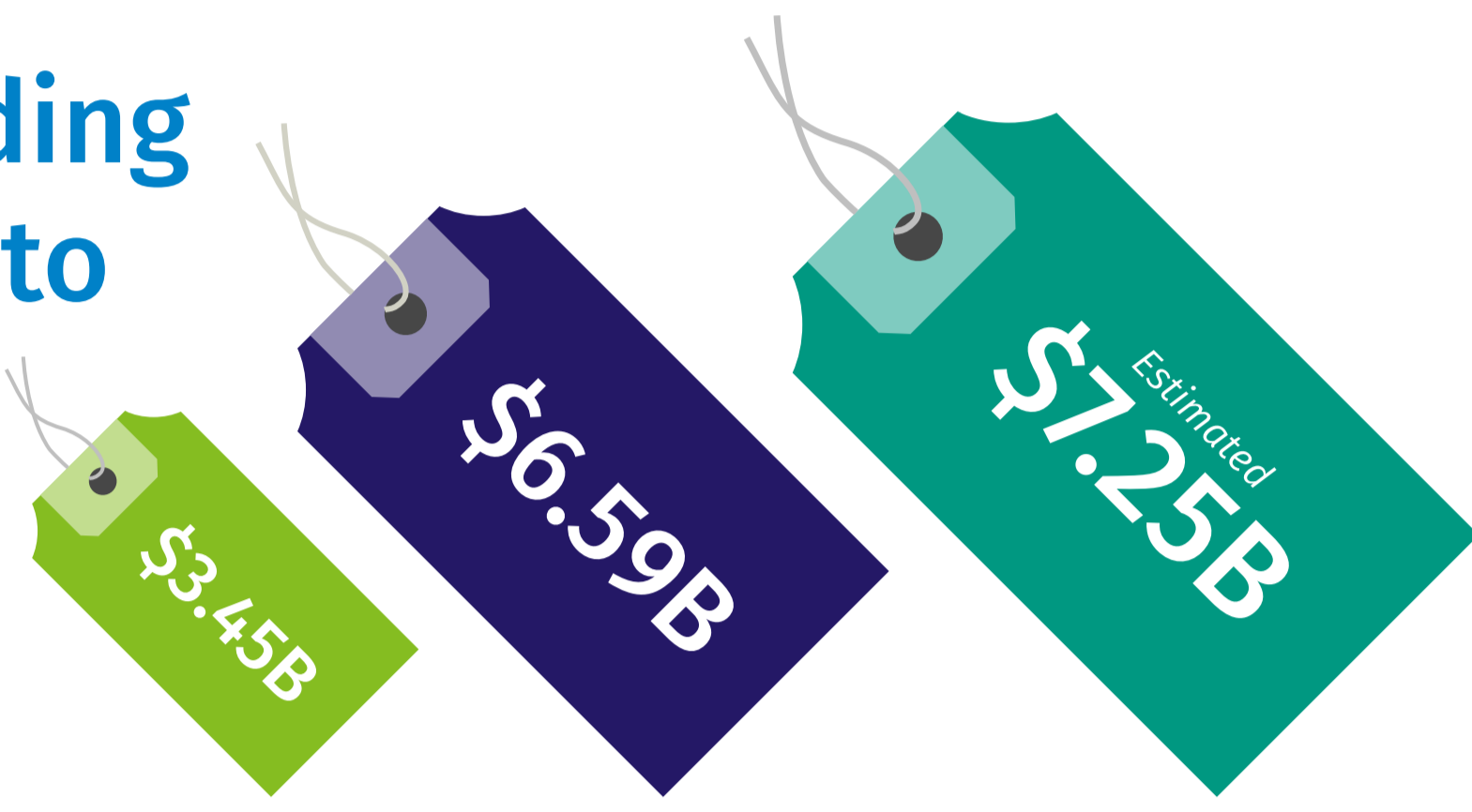


Cyber Monday

In 2005 Ellen Davis, SVP at the National Retail Federation correlated a spike in online purchases every Monday after Thanksgiving. The sales trend was largely a result of people leveraging their faster work internet connections. Psst... Your boss now knows.²

Cyber Monday Spending for 2018 is Expected to Break Records

Online retail sales on Cyber Monday (which includes desktop, mobile, and tablet) are expected to exceed \$7.25 billion in 2018.³



Deloitte's 2018 Holiday Survey of Consumers expects 57% of total spending will be done online, compared with 36% in stores.

Sales Excitement vs. Online Sales Tax Confusion

Online retailers are excited by the anticipated surge in holiday sales, but risks loom with sales tax compliance after the *Wayfair* SCOTUS decision in June 2018.



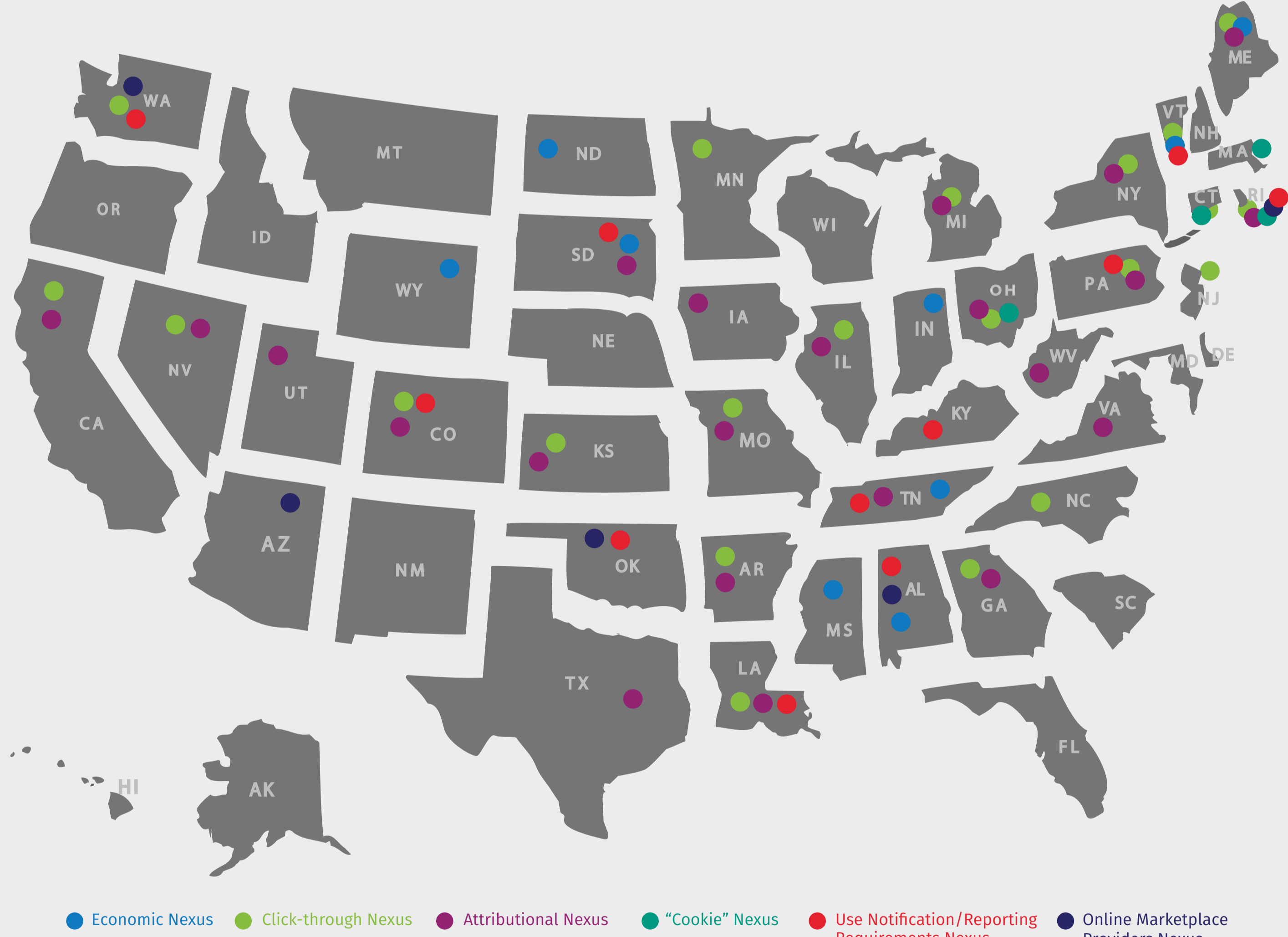
Sales Tax Compliance

Below is a changing timeline of the *Wayfair* decision and the ramifications thus far from this monumental case.

- June 2018:** *Wayfair* opens the door for economic nexus as a basis for states to collect online sales tax from remote sellers.
- July–December 2018:** AL, CO, CT, HI, IL, IN, KY, ME, MD, MI, MN, MS, NV, NJ, NC, ND, SC, SD, VT, WA, and WI begin collecting online sales tax.
- Today & Tomorrow:** Over half of the US states have rolled out their own economic nexus rules with others soon to follow.

Nexus Map

US map graphically illustrates the retailer's challenges in sales tax compliance due to the new nexus standards. [Click here](#) to see our full Nexus map with full details.



Can online retailers stay compliant with so many state nexus dynamics at play?



Non-Compliance is Risky

Complying with just a few states can be complicated enough, but most online retailers must contend with sales tax compliance across nearly all states.

- Sales Tax Compliance Risk:** Audits and ensuing penalties are possible in each state where a business now has economic nexus.
- Business Leader Risk:** Key persons can be held personally liable due to business non-compliance.
- Past Sales Tax Liabilities:** Audit penalties may not be limited to the state's collection start dates. Past due penalties are possible.
- Customers Matter:** Retailers must manage sales tax compliance while not dampening the positive customer shopping experience.

As an Online Retailer, Why Risk It?

While events like Black Friday and Cyber Monday happen once a year, they often play a huge part in a business reaching their annual sales goals. However, sales tax compliance errors pose an ever present risk to business revenue and success.

Speak with a Wolters Kluwer Sales & Use Tax Expert to stay current on the post-Wayfair decision and get the answers to your questions.

Do I have an audit defense? Am I compliant? How do I stay compliant? What is my current nexus footprint? Am I ready?

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