

Illinois Department of Revenue  
Central Registration Division  
PO Box 19030  
Springfield, IL 62794-9030  
(217) 785-3707

Iowa Department of Revenue and Finance  
Taxpayer Services Section  
PO Box 10457  
Des Moines, IA 50306-0457  
(515) 281-3114

Kansas Department of Revenue  
Taxpayer Assistance Center  
915 SW Harrison St., 1<sup>st</sup> Floor  
Topeka, KS 66625-0001  
In Topeka: (785) 368-8222  
Outside Topeka toll free: 1-877-526-7738

Minnesota Department of Revenue  
Sales Tax Division  
Targeted Information  
Mail Stop 6330  
St Paul, MN 55146-6330  
(651) 296-6181  
(800) 657-3777

Missouri Department of Revenue  
Taxpayer Administration Bureau  
PO Box 3300  
Jefferson City, MO 65105-3300  
(573) 751-5860

Nebraska Department of Revenue  
Taxpayer Assistance  
PO Box 94818  
Lincoln, NE 68509-4818  
(402) 471-5729  
(800) 742-7474

North Dakota Office of the State Commissioner  
State Capital  
600 E. Boulevard Ave.  
Bismarck, ND 58505-0599  
(701) 328-2770

South Dakota Department of Revenue  
445 E. Capital Ave.  
Pierre, SD 57501-3100  
(605) 773-3311  
(800) 829-9188

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## Do You Have Customers in Other States?



## Facts You Need to Know to Protect You and Your Customers

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*In order to protect you and your customers, the Midwest Border States suggest you voluntarily register to collect sales or use tax.*

### **What is the Midwest Border States Compact?**

The Midwest Border States Compact is a group of states that have been working together to eliminate unfair competition and increase compliance by informing consumers about use tax and seeking voluntary registration from out-of-state businesses. State governments are becoming more aggressive in searching out taxpayers who may owe outstanding tax liabilities. These states exchange information and cooperate in enforcement efforts.

In recent years, the number of companies engaging in multistate commerce has multiplied. Yet many of these companies are not registered and paying taxes to states in which they do business. Millions of dollars in taxes owed to states are lost when goods are bought from out-of-state merchants who do not collect and remit the use tax.

### **What States Involved?**

- ⇒ Illinois
- ⇒ Iowa
- ⇒ Kansas
- ⇒ Minnesota
- ⇒ Missouri
- ⇒ Nebraska
- ⇒ North Dakota
- ⇒ South Dakota

### **Why Should You Register to Collect Sales or Use Tax for Another State?**

If you have a business presence for tax purposes (“nexus”), you are required by law to register.

Example of Nexus activities are:

- Having a representative, agent, or salesperson in the state for the purpose of selling or taking orders.

- Leasing tangible property or licensing rights for use within the state.
- Maintaining a business location within the state.
- Making delivery of goods with company owned vehicles.
- Performing services or installation, construction, or repairs.
- Stocking inventory in a public warehouse or on consignment.

Even if you do not have nexus, your registration will prevent the inconvenience of having your customers contacted directly by state tax authorities seeking to collect use tax. Consumers are responsible for remitting use tax on purchases bought from unlicensed out-of-state vendors. The states will bill them for the unpaid use tax plus penalty and interest.

*If you have no sales in a state, you do not need to register in that state. However, once you begin making sales to customers in another state you should then apply for a license.*

### **How Do You Register for a Sales Tax License/Permit in Another State?**

Contact the appropriate state tax agency for forms and instructions to help you comply with filing requirements. Address and phone numbers are listed on the back of this brochure.

### **Will Registration Automatically Subject You to Other Taxes?**

No. However, if you should have been paying other taxes anyway, you will still be expected to pay those taxes.

### **Will Registration Automatically Subject You to Past Use Taxes?**

No. Registration alone does not subject you to liability for failure to collect past sales or use taxes. Liability depends on whether or not you had nexus with the state in question in the past and the laws and policies of each state.