

NOTICE REPORTING COMPLIANCE REQUIREMENTS

The states listed in the table below have enacted notice reporting requirements either legislatively or through administrative rule as of December 31, 2017. The table provides the effective date of the notice reporting requirements and the required sales threshold. Keep in mind that the sales threshold generally refers to sales which are subject to sales tax. The table also shows whether a state requires notification to be posted on the company's website to a purchaser that use tax is due on the transaction, whether notification to the purchaser itself is required, and whether annual reporting to the state is required. Penalties imposed by the state for failure to comply with any notification requirements are also addressed. These penalties can be significant for companies that do not comply with the reporting requirements.

It is important to note that an alternative to complying with notice reporting requirements is to register and collect sales tax in a particular state.

STATE	EFFECTIVE DATE	SALES THRESHOLD	COMPLIANCE REQUIREMENTS			FAILURE TO COMPLY - PENALTY
			USE TAX REQUIREMENT ON WEBSITE	NOTICE TO PURCHASER	ANNUAL REPORT TO STATE	
Alabama	July 1, 2017	Specific details have not been released by the Department of Revenue (DOR).				
Colorado	July 1, 2017	\$100,000 in prior calendar year	No	Yes	Yes	Failure to provide notice to customer - \$5 penalty per transaction, maximum \$25,000. \$10 per failure for annual summary to customer, maximum \$50,000. Failure to provide annual report to DOR - \$10 times number of CO purchases included in report, maximum \$50,000.*
Kentucky	July 1, 2013	\$100,000	Yes	Yes	No	Not released.
Louisiana	July 1, 2017	\$50,000 in prior calendar year	No	Yes	Yes	Not released. However, Secretary may, by subpoena, request the production of documents to enforce notice reporting requirements.
Oklahoma	July 1, 2010	\$100,000 in prior calendar year	No	Yes	No	Not released.
Pennsylvania	March 1, 2018	\$100,000 in previous 12-months	Yes	Yes	Yes	\$20,000 or 20% of total sales in PA during prior 12 months, whichever is less. **
Rhode Island	August 17, 2017	\$100,000	Yes	Yes	Yes	\$10 per failure of each requirement but not less than \$10,000 in calendar year.
South Dakota	July, 1, 2011	\$100,000 in prior calendar year	Yes	Yes	No	No criminal penalty or civil liability may be applied or assessed for failure to comply with the notice reporting requirements.
Vermont	July 1, 2017	\$100,000 in prior calendar year	Yes	Yes	No	Failure to provide notice to customer - \$5 penalty per transaction. Failure to send annual purchase summary - \$10 for each failure. Failure to provide annual report to DOR - \$10 for each failure.
Washington	January 1, 2018	\$10,000 in prior or current calendar year	Yes	Yes	Yes	Penalties can be significant for noncompliance! Failure to post notice on website, platform, or catalog - \$20,000. Failure to provide annual report to customers - \$5,000 up to \$100,000 + \$20,000 per each \$50,000 of additional gross receipts over \$300,000. Failure to provide annual report to DOR - \$25 for each consumer, with a minimum penalty of \$20,000.

* Based on provisions, companies could pay up to \$125,000 in penalties in a single year even though they do not have a physical presence in Colorado.

** Remote sellers, marketplace facilitators, and referrers who make sales of at least \$10,000 into Pennsylvania must file an election by March 1, 2018, opting either to comply with notice and reporting requirements or begin collecting sales and use tax. If no election is submitted, the company is deemed to have elected to comply with notice reporting requirements.