



Interpretation 2023.02

Registered Remote Sellers that no longer meet Economic Nexus

Issue:

The Uniform Code outlines when a seller has an obligation to collect sales tax as a remote seller, and outlines when a seller has an obligation to register with the ARSSTC. But the Uniform Code does not clearly outline when a seller is no longer required to be registered with the ARSSTC or collect sales tax as a remote seller.

Background:

Section 040 - Obligation to Collect Tax – Threshold Criteria

A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance with all applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has met one of the following Threshold Criteria (“Threshold Criteria”) in the current or previous calendar year:

1. The remote seller’s statewide gross sales, including the seller’s marketplace facilitator’s statewide gross sales, from the sale(s) of property, products or services delivered in the state meets or exceeds one hundred thousand dollars (\$100,000); or
2. The remote seller, including the seller’s marketplace facilitator, sold property, products, or services delivered in the state in two hundred (200) or more separate transactions.

B. For purposes of determining whether the Threshold Criteria are met, remote sellers or marketplace facilitators shall include all gross sales, from all sales of goods, property, products, or services rendered within the state of Alaska.

Section 080 – Remote Seller and Marketplace Facilitator Registration Requirement

A. If a remote seller’s gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the remote seller shall register with the Commission. If the remote seller is a marketplace seller and only makes sales in Alaska through a marketplace, the marketplace seller is not required to register with the Commission. The marketplace seller must submit an affidavit attesting to these facts on a form provided by the Commission.

B. If a marketplace facilitator’s gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the marketplace facilitator shall register with the Commission.

C. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the effective date of this Code or within thirty (30) calendar days of meeting the Threshold Criteria



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whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.

Analysis

Section 040 requires sales tax collection from remote sellers when the economic nexus threshold of \$100,000 gross sales or 200 individual transactions has been met in either the current or previous calendar year.

Additionally, Section 080 requires the remote seller to register with the ARSSTC within 30 days of meeting the above economic nexus threshold.

Based on these two sections, a seller no longer has a requirement to be registered with the ARSSTC or collect sales tax on its remote sales if it hasn't met the economic nexus threshold in either the current or prior calendar year.

Here is an example:

Example – Economic nexus threshold first met on September 1, 2020

- The remote seller should stay registered with the ARSSTC through at least December 31, 2021.
- If the remote seller did not meet nexus threshold sales volumes in calendar year 2021, it may de-register with the ARSSTC on January 1, 2022.
- If the same remote seller subsequently meets the nexus threshold during calendar year 2022, it should re-register with the ARSSTC and stay registered through at least December 31, 2023.