

# WHERE ARE YOU DOING BUSINESS?



## NEXUS STUDIES:

### DON'T LET SALT RAISE YOUR BLOOD PRESSURE

#### DID YOU KNOW?

- 46 states have **sales tax filing requirements**
- 46 states have **income tax filing requirements**
- **9 states** currently have a factor presence **standard of nexus** for income tax purposes
- Owning a **pass-through entity** may create a filing requirement in some states
- Some states **do not recognize pass-through entities**, creating an **entity-level tax**
- Involving an **independent contractor** can potentially create state tax nexus

Gone are the days of having just one location and only providing goods and services to your neighbors. Most businesses are now selling not only in their hometown but throughout the state and even across the country. Nexus is the minimum connection or activity that a business must have with a jurisdiction that will subject the company to income/franchise or sales tax. There are different nexus standards for income/franchise and sales tax. Nexus can vary from having a related party with activity in the state (affiliate nexus) to a specific dollar threshold for sales, property or payroll (factor presence nexus) or an economic presence. A business can no longer rely on the old “physical presence” rule for determining nexus.

The BMSS SALT Services Group can perform a “Nexus Study,” which looks at your business activities in regard to the current nexus standards for each state in which you are conducting business. We can assist you with planning and consulting for any future multi-state activities you may have.

#### The BMSS SALT Services Group can assist in:



NEXUS STUDY



CURRENT STATE FILING REQUIREMENTS FOR INCOME/FRANCHISE & SALES TAX



COMPLIANCE



SALT CONSULTING & PLANNING