



Sales Tax Registration Requirement for Businesses with No Physical Presence in New York State

The Tax Department previously issued Important Notice N-19-1, *Notice Regarding Sales Tax Registration Requirement for Businesses with No Physical Presence in New York State*. On June 24, 2019, the Tax Law was amended to change the annual sales threshold dollar amount from \$300,000 to \$500,000, effective retroactive to June 21, 2018. Accordingly, a business that has no physical presence in New York State is required to register as a sales tax vendor and collect and timely remit the applicable state and local sales tax if in the immediately preceding four sales tax quarters it has:

- made more than \$500,000 in sales of tangible personal property delivered in the state, and
- conducted more than 100 sales of tangible personal property delivered in the state.¹

The sales tax quarters are: March 1 through May 31, June 1 through August 31, September 1 through November 30, and December 1 through February 28/29.

If you are a business that meets this threshold, but has not yet registered as a vendor, you should do so now. For information about the sales tax registration process, see Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#). To apply, use [New York Business Express](#).

The recent amendments also provide that a business with no physical presence in the state that registered for sales tax because of the Tax Law provisions referenced above, and, in good faith, collected and remitted sales tax at an incorrect local rate, must pay the additional local sales tax due but is not liable for penalty and interest on the additional local tax. This relief applies only to sales made during the first four quarterly periods after the business was required to register.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.

¹ Tax Law §§ 1101(b)(8)(i)(E), 1101(b)(8)(iv).