

Illinois Department of Revenue
Central Registration Division
P.O. Box 19476
Springfield, IL 62794-9476
(217) 785-3707

Iowa Department of Revenue and Finance
Hoover State Office Building
Des Moines, IA 50319
(515) 281-3114

Kansas Department of Revenue
915 SW Harrison St.
Topeka, KS 66625-9000
(785) 368-8222

Minnesota Department of Revenue
Mail Station 6330
St. Paul, MN 55146-6330
(651) 296-6181 in Twin Cities
(800) 657-3777

Missouri Department of Revenue
P.O. Box 357
Jefferson City, MO 65105-0357
(573) 751-5860

Nebraska Department of Revenue
Taxpayer Assistance
P.O. Box 94818
Lincoln, NE 68509-4818
(402) 471-5729 in Lincoln
(800) 742-7474 toll free in Nebraska and Iowa

North Dakota Department of Revenue
Office of State Tax Commissioner
600 E. Boulevard Avenue
Bismark, ND 58505-0599
(701) 328-2770
(800) 638-2901

South Dakota Department of Revenue
455 E. Capital Ave.
Pierre, SD 57501-3185
(605) 773-3311
(800) 829-9188

**Do you have customers
in other states?**



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

Nebraska Department of Revenue
Taxpayer Assistance
P.O. Box 94818
Lincoln, NE 68509-4818
(402) 471-5729
or
Toll free 1-800-742-7474
in Nebraska and Iowa

In order to protect you and your customers, the Midwest Border States suggest that 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 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 have 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 with, nor paying taxes to, states in which they do business. Millions of dollars in taxes are lost by states when goods are bought from out-of-state merchants who do not collect and remit the use tax.

Which states are 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.

Examples 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. Addresses 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, 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 the laws and policies of that state, and whether or not you had nexus with the state in question in the past.