

**Illinois Department of Revenue**  
Central Registration Section  
PO Box 19030  
Springfield IL 62794-9030  
(217) 785-3707

**Iowa Department of Revenue and Finance**  
Taxpayer Services Section  
PO Box 10457  
Des Moines, IA 50306-0457  
(515) 281-3114

**Kansas Department of Revenue**  
Taxpayer Assistance Center  
Scott State Office Building  
PO Box 3506  
Topeka, KS 66625-3506  
(785) 368-8222

**Minnesota Department of Revenue**  
Sales Tax Division  
Targeted Information  
Mail Stop 6330  
St Paul, MN 55146-6330  
(651) 296-6181  
(800) 657-3777

**Missouri Department of Revenue**  
Taxpayer Administration Bureau  
PO Box 3300  
Jefferson City MO 65105-3300  
(573) 751-5860

**Nebraska Department of Revenue**  
Taxpayer Assistance  
PO Box 94818  
Lincoln NE 68509-4818  
(402) 471-5729  
(800) 742-7474

**North Dakota Office of State Tax Commissioner**  
State Capital  
600 E. Boulevard Ave.  
Bismarck, ND 58505-0599  
(701) 328-2770

**South Dakota Department of Revenue**  
445 E. Capital Ave.  
Pierre, SD 57501-3100  
(605) 773-3311  
(800) 829-9188

## Do You Have Customers in Other States?



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

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*In order to protect your and your customers, the Midwest Border States suggest 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 that have been 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 owe 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 and paying taxes to states in which they do business. Millions of dollars in taxes owed to states are lost when goods are bought from out-of-state merchants who do not collect and remit the use tax.

### **What 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 business presence for tax purposes ("nexus"), you are required by law to register.

#### **Examples of nexus activities include:**

- Having a representative, agent, or salesperson in the state for the purpose of selling or taking orders.

- Leasing tangible personal 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. Address 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 anyway, 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 whether or not you had a nexus within the state in question in the past and the laws and policies of each state.