

THE FIVE STEPS TO MANAGING SALES TAX

The world of sales tax is constantly changing and can be extremely confusing, but getting it right is crucial to your company's success. As your business evolves, your sales tax obligations may also change. Through it all, there are typically five steps involved in maintaining sales tax compliance. Review the steps below to understand your complete sales tax picture.

Step 1: Know where your business must collect and remit sales tax

You may not need to collect sales tax everywhere, but if you have offices, employees, or a certain level of sales activity in a state, you'll likely need to collect.

Need help? Let the professionals help with an [Avalara Sales Tax Risk Assessment](#).



Step 2: Register to collect and remit sales tax

Before you're able to collect tax, you'll need to register with a tax jurisdiction (or several jurisdictions) by finding and filling out all applicable forms.

Need help? Get it done in a snap with [Avalara Business Licenses](#).



Step 3: Calculate the correct sales tax amount

Calculate the appropriate tax rate based on the rules in more than 12,000 U.S. sales tax jurisdictions and the taxability of your product.

Need help? Let [Avalara AvaTax](#) calculate sales tax for your business in real time.



Step 4: Track and manage exempt sales

If you're not collecting sales tax because a customer is exempt from having to pay tax, you need a valid exemption certificate to show why tax wasn't collected.

Need help? [Avalara CertCapture](#) stores and manages exemptions certificates for you.



Step 5: Remit sales taxes to the tax authority

Once you've collected the appropriate taxes, you need to disperse the tax collected to the correct jurisdictions.

Need help? [Avalara Returns](#) automates the entire returns filing process.



To learn more about the five steps to managing sales tax, plus access additional resources to support your end-to-end compliance, visit avalara.com/fivesteps.