



Streamlined Sales Tax and Avalara

Simplified tax administration for qualifying businesses

Avalara is a leader in sales tax automation and software-as-a-service (SaaS) solutions. But software isn't all we do. Avalara customers can access the cost-effective benefits of the Streamlined Sales Tax (SST) program to achieve compliance more quickly and efficiently.

The Streamlined Sales and Use Tax Agreement

Created in 1999, the Streamlined Sales and Use Tax Agreement is the result of a cooperative effort between state and local governments and the business community. The goal of SST is to simplify sales and use tax collection and administration for retailers and states, particularly for companies selling into multiple states.

By law, participating states are required to simplify and centralize aspects of their sales tax administration such as rates, rules, registration, remittance, consumer privacy protection, audits, and exemption certificates. In addition, SST encourages remote sellers to collect tax on sales to customers living in participating states. There are currently 24* participating states.

If your company chooses to register for the SST program, the most beneficial option is to engage a Certified Service Provider (CSP). A CSP allows businesses registered for SST to fully outsource their sales and use tax management processes. And by registering for SST, a business is eligible to use CSP services for free. Avalara is proud to be one of the first SST Certified Service Providers.

Simplify sales tax compliance with SST

Companies can quickly achieve compliance by participating in the SST program. Businesses can register for SST in all 24* SST states using one form. While we encourage registering in all SST states, we offer the flexibility to select and register in specific states. SST is a great vehicle for expanding companies with growing nexus obligations and registered businesses have access to electronic filing, reduced filing fees, and reduced transaction fees.

Registered businesses simplify the tax calculation and filing process because participating states have agreed to support uniform definitions and rules. These rules include uniform audit procedures and exemption administration. Furthermore, to reduce associated administration costs, member states agree to standard classifications and rules for drop shipments, bank holidays, sales tax holidays, bad debt credits, rounding rules, and product definitions.

*There are 24 member and associate member states in the Streamlined Sales Tax program. Pennsylvania offers a similar, state-run program that provides benefits to businesses that qualify when using Avalara as a Certified Service Provider.

Businesses that qualify for Volunteer status with SST are eligible for these benefits:



Free SST registration in participating states

As a CSP, Avalara will complete SST registration for free in designated states as part of the implementation process.



Free transactions

With Avalara as their CSP, businesses that qualify for Volunteer status can use Avalara's tax calculation services for free in SST states.



Free filing

With Avalara as their CSP, businesses with Volunteer status in SST states can file sales and use tax returns for free in those states.



Audit protection

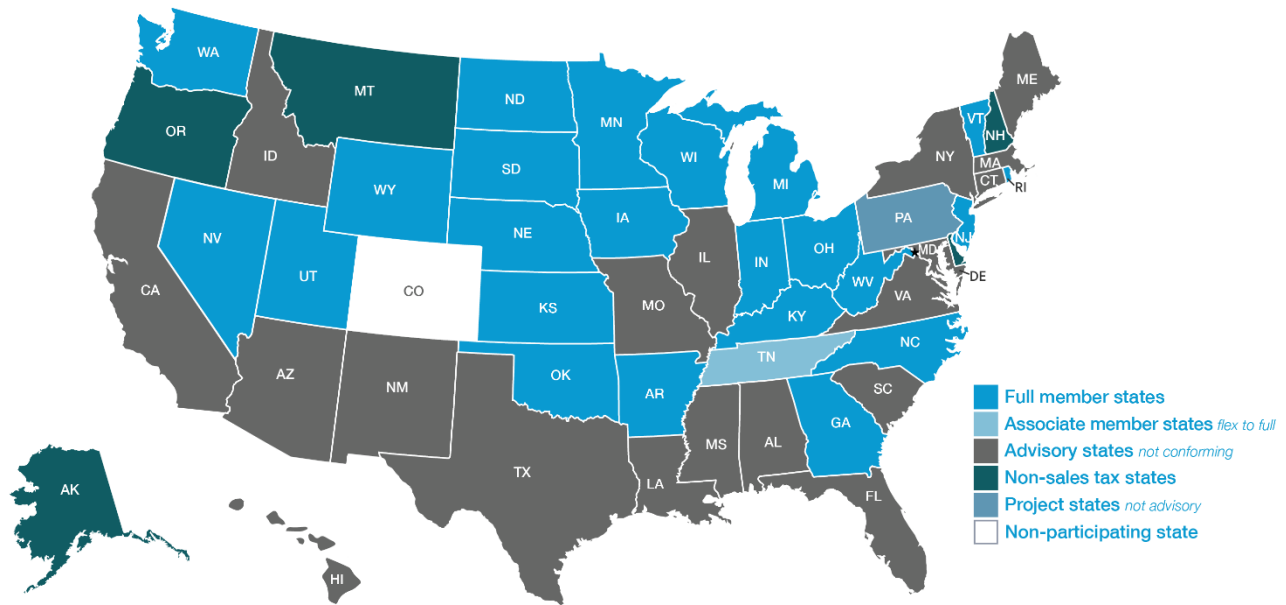
Businesses that qualify for Volunteer status in SST states can avoid directly participating in audit activities in those states as Avalara will work directly with the states on their behalf.



Uniform definitions and rules

SST states have agreed to a set of uniform definitions and rules that enable a consistent and simplified approach to sales and use tax across multiple states.

States participating in the Streamlined Sales Tax program



Qualifications and requirements for SST

Any business may register for SST status to receive the standard benefits of simplified registration and more uniform rules and regulations for multiple states. However, there are two levels of status and benefits, Volunteer and Non-Volunteer. If you're considering registering for the SST program with Avalara as your CSP, you'll receive additional benefits if you qualify for Volunteer status in participating states. Many businesses may qualify for Volunteer status in certain states but not others.

In the states where a business qualifies for Volunteer status, monthly filing with Avalara in those states is free to the filer. Non-Volunteer status in states will result in standard per-return filing fees. In addition, if you have Volunteer status and are ever audited in those states, Avalara will act as your audit liaison and answer questions from the states.

To qualify for Volunteer status in a state, a seller must meet **all** the following criteria during the 12-month period immediately preceding the date of registration with the member state:

- No fixed place of business for more than 30 days in the member state
- Less than \$50,000 of property in the member state
- Less than \$50,000 of payroll in the member state
- Less than 25 percent of total property or total payroll in the member state

Additional conditions may apply to qualify for Volunteer status.

Economic nexus and SST

With the rise of economic nexus laws, some businesses may find that they're suddenly required to register, collect, and remit sales tax due for remote sales. All SST states now have economic nexus laws in place. SST is a good option for remote sellers as it offers a streamlined way to get registered and maintain compliance. Businesses that register for SST due to economic nexus may still qualify for Volunteer status. In addition, businesses that have prior registration within a state aren't precluded from holding Volunteer status in that state.

As a CSP, Avalara's data processing and sales tax information management meets the rigorous standards set forth by SST. By utilizing the SST-certified technology solution provided by Avalara, your company will have protection, automation, and reduced costs. In many cases, states even help pay for the software. Our certified software products are easy to use and better prepare you for ever-changing state and local sales tax regulatory laws.

Questions about SST services? Read our [SST FAQs](#) or contact your Avalara Account Manager.



Ready to get started?

Call 877-780-4848

Visit avalara.com