

1. **Clients have never paid a sales and use tax. Why are they being charged a sales and use tax now?**

In the past, one of the guidelines for whether or not sales tax should be collected, was whether a company had a physical presence in the same state as the customer. With more states seeking to retain revenue, this has changed, and we are now required to collect sales tax.

2. **Do all states require that Randall-Reilly collect and remit sales tax?**

Yes, all states require that we collect and remit sales tax. However, we are only collecting tax for states where the determination has been made that we have economic nexus (where we are deemed to be doing business/have a presence based upon our sales volume).

3. **How does Randall-Reilly know which items are taxable and which are not taxable?**

Given the complexity and variance of rules, we use an outside service that aids in identifying applicability of taxes, as well as calculating and remitting the taxes collected to state governments.

4. **What happens if a client refuses to pay their sales tax?**

If a client is non-compliant, Randall-Reilly will issue communications reminding the client of their responsibility. If we are audited, we would be unable to provide documentation of sales tax payment, which could trigger a sales and use tax audit of that client.

5. **Is everything a client buys from Randall-Reilly taxable now?**

No, the items that are deemed taxable varies by state and are reflected in the chart provided.

None= 0% rate

E= Exempt

T= Taxable

X% T= Percentage Taxable

SR-X%= State Rate Changed to X%

E-LT= Exempt State but Some Locals Taxable

Avatax System Tax Codes

State	OA020500	P0000000	SA0-3000	SW053000
	"Admissions and Attendee Revenue: Largely Only Events"	Tangible Personal Property (TPP) - Books, White Papers, Marketing content (Northbrook)	Advertising Services - Mostly Everything Digital	Customer Information Services Delivered Electronically - Everything that is Data Related and Subscription Based Products
CURRENT COMPLIANT STATES				
Alabama	T	T	E	T
Indiana	T	T	E	E
Minnesota	T	T	E	T
North Carolina	T	T	E	E
Ohio	E	T	E	T
Texas	T	T	E	Txbl-80%
Wisconsin	T	T	E	E
ALMOST COMPLIANT STATES (5/1/19)				
Georgia	T	T	E	E
Utah	T	T	E	T
Washington	T	T	E	T
FUTURE COMPLIANT STATES				
Alaska	NONE	NONE	None	None
Arizona	T	T	E **	T
Arkansas	E	T	E	E
California	E	T	E	E
Colorado	E-LT	T	E	E **
Connecticut	E	T	T	1% rate
D.C.	T	T	E	T
Delaware	NONE	NONE	None	None
Florida	T	T	E	E
Hawaii	T	T	T	T
Idaho	T	T	E	E
Illinois	E	T	E	E
Iowa	T	T	E	T
Kansas	T	T	E	E
Kentucky	T	T	E	E
Louisiana	T	T	E	T
Maine	E	T	E	E
Maryland	E	T	E	E
Massachusetts	E	T	E	T
Michigan	E	T	E	E
Mississippi	T	T	E	T
Missouri	T	T	E	E
Montana	NONE	NONE	None	None
Nebraska	T	T	E	E
Nevada	T	T	E	E
New Hampshire	NONE	NONE	None	None
New Jersey	E	T	E	E
New Mexico	T	T	T	T
New York	T	T	E	T
North Dakota	E	T	E	E
Oklahoma	T	T	E	E
Oregon	NONE	NONE	None	None
Pennsylvania	E	T	E	T
Rhode Island	E	T	E	T
South Carolina	SR-5%	T	E	T
South Dakota	T	T	T	T
Tennessee	T	T	E	T
Vermont	T	T	E	E
Virginia	E	T	E	E
West Virginia	T	T	E	T
Wyoming	T	T	E	E