

Sales Tax FAQs

Why is Kinect Solar collecting sales tax in a state where it doesn't have a presence?

In the landmark 2018 ruling, *South Dakota v. Wayfair*, the U.S. Supreme Court sided with the state, a decision that overturned a longstanding physical presence rule and opened the door for states to require remote sellers to collect and remit sales tax.

Since the Supreme Court ruling, most states have adopted new rules defining what establishes a sales and use tax obligation in that state. Unfortunately for businesses selling in multiple states, no two state sales tax nexus laws are the same.

What is nexus?

Sales tax nexus is the connection between a seller and a state that requires the seller to register, then collect and remit sales tax in said state. Certain business activities, including having a physical presence or reaching a designated sales threshold (typically a dollar value), may establish nexus with the state. Kinect Solar LLC currently has sales tax nexus in 34 states (see next page).

How does Kinect Solar calculate sales tax?

Your sales tax rate is based on the delivery address for products ordered. It does not matter whether the delivery is handled by Kinect Solar or if the customer is arranging their own freight. As long as a common carrier is used (LTL, FTL, UPS, FEDEX, etc.), the customer is responsible for sales tax if Kinect Solar has established nexus in the delivery jurisdiction. This is why Kinect Solar requires a delivery address even if the customer is arranging their own freight.

For WILL CALL order pick up, the customer is charged the sales tax rate based on the warehouse address since that is the point of delivery.

How can I get sales tax removed from a quote or sales order?

Sales tax is removed from Quotes or Sales Order confirmations when a valid and completed resale certificate for the delivery state/jurisdiction is provided. The company name on the resale certificate MUST match the name on the Quote and/or Sales Order confirmation with no exceptions. Resale certificates MUST also be signed by an agent of the company submitting the certificate.

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In which jurisdictions does Kinect Solar currently have nexus?

Kinect Solar has nexus in the following jurisdictions (subject to change without notice):

Arizona	Iowa	Nebraska	Texas
California	Kansas	Nevada	Utah
Colorado	Kentucky	New Jersey	Vermont
Connecticut	Louisiana	New Mexico	Virginia
Florida	Maine	North Carolina	Washington
Georgia	Maryland	Ohio	West Virginia
Hawaii	Massachusetts	Pennsylvania	Wisconsin
Idaho	Michigan	Puerto Rico	Wyoming
Illinois	Minnesota	Rhode Island	
Indiana	Missouri	South Carolina	

For a list of states that won't accept your out-of-state resale certificate, visit this link:

<https://www.taxjar.com/blog/10-states-that-wont-accept-your-out-of-state-resale-certificate>

Still have questions? Email us at sales@kinectsolar.com.

DISCLAIMER: Kinect Solar LLC is not a tax professional. The above is for informational purposes only regarding how we conduct our business. Please contact a tax or legal professional regarding any questions for specific tax situations.