

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



January 2, 2019

OTR NOTICE 2019-02

SOUTH DAKOTA V. WAYFAIR, INC.

Under the U.S. Supreme Court's 1992 decision in *Quill Corp. v. North Dakota*, sellers without a physical presence in a jurisdiction were not required to collect and remit sales tax to that jurisdiction. On June 21, 2018, the Court overturned the decision in *Quill* by issuing an opinion in *South Dakota v. Wayfair*, which held that such physical presence in a jurisdiction is not required for sellers to be obligated to collect and remit sales taxes to that jurisdiction.

The District of Columbia has enacted legislation which requires sellers without a physical presence in the District to collect and remit sales tax if they had, in the previous calendar year, or will have, in the current calendar year, more than \$100,000 of gross receipts from retail sales delivered into the District or more than 200 separate retail sales delivered in the District. [See Internet Sales Tax Emergency Amendment Act of 2018](#), approved on December 31, 2018 (D.C. Bill 22-1070). This new requirement is effective as of January 1, 2019.

Additionally, the legislation requires marketplace facilitators, as defined by new D.C. Code § 47-2001(h-1b), to collect and remit to the District sales tax on sales made on their marketplaces. This requirement is effective as of April 1, 2019.

What should I do if I am already collecting and remitting sales tax?

If you are already collecting and remitting tax to the District, either directly or through a third party, you should continue to do so.

What should I do if I need to start collecting and remitting sales tax?

You should register and begin collecting and remitting sales and use taxes in the District.

Information related to tax registration is available on our website at:

<https://otr.cfo.dc.gov/page/new-business-registration>.

The District of Columbia requires taxpayers to e-file their sales and use tax returns on

<https://mytax.dc.gov>.

Information related to registration of corporations doing business in the District with the Department of Consumer and Regulatory Affairs (DCRA) is available on DCRA's website at:

<https://dcra.dc.gov/corporate-registration-information>.

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What do I do if I have questions?

If you have questions about how to register with OTR, please contact OTR's Customer Service Center at (202) 727- 4TAX (727-4829). If you have questions about whether you are required to collect District sales tax, please contact the Office of the General Counsel at (202) 442-6500.