



ONLINE SALES TAX COLLECTION CHECKLIST FOR DEALERSHIPS



REVOLUTIONPARTS

Online Sales Tax Collection Checklist for Dealerships

Selling parts, accessories, and even cars online can help dealerships quickly and easily reach a new customer base. Unfortunately, the additional sales tax obligations that go along with selling through online channels can be difficult to understand and navigate. Use this checklist to make sure your dealership is sales tax compliant.

1. Determine where your dealership must collect and remit sales tax.

Make sure you are monitoring your business activities and evaluate where you have an obligation to submit taxes based on nexus-triggering activities. To learn more about economic nexus laws, visit [here](#).

2. Understand where you need to register to collect and remit sales tax.

If you find that your dealership has an obligation to collect sales tax in certain states, you must register in those appropriate tax jurisdictions before you can begin collecting and remitting. The requirements aren't the same for every state or local jurisdiction, but you can find more information on licensing [here](#).

3. Calculate the correct sales tax amount.

Once you've registered, you can start calculating and collecting sales tax. This step is crucial because it's important you aren't under-collecting for the tax authorities or over-collecting, causing unhappy customers. Most marketplace facilitators like RevolutionParts have built-in sales tax calculation services, so make sure they are enabled or set up properly.

4. Track and manage any exempt sales.

Some orders and businesses can be exempt from paying sales tax. As the seller, you must collect exemption certificates for each tax-exempt purchaser in order to validate why you didn't collect the sales tax.



5. Remit sales tax to the proper state tax authorities

Once you collect the appropriate sales tax amounts, you have to remit those funds to the proper states and tax authorities. A key thing to remember is that if you sell through multiple channels or multiple marketplaces, you'll need to gather and compile sales tax data from all channels.



With the enacted marketplace facilitator laws, RevolutionParts can collect and remit sales tax on behalf of its dealerships who are selling parts and accessories online. That's why we have released our newest feature: Marketplace Tax Comply. This means you no longer need to conduct any of the 5 items above. We do it all for you!

To learn more about Marketplace Tax Comply and the other solutions RevolutionParts offers dealers, contact us today and get a free demo!

GET A DEMO

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*Although we hope you find the information helpful, this guide does not offer a substitute for professional legal or tax advice. If you have questions about your tax liability or concerns about compliance, please consult your qualified legal, tax, or accounting professional.

