

# Introduction to Sales Tax

## For Amazon FBA Sellers

Information provided by TaxJar  
Prepared by Mark Faggiano

July 2016



**Dashboard** You have 1 linked account.  
Updated: Jun 27, 10:15 AM UTC

States in which you are collecting sales tax and filing manually

<p>Next filing due: <b>July 20, 2016</b> Monthly ↗</p>	<p>Actual sales tax collected ✓ <b>\$15.26</b> <a href="#">Sales Tax Report</a></p>	<p><b>Arizona</b> 🇺🇸</p>
<p>Next filing due: <b>July 20, 2016</b> Quarterly ↗</p>	<p>Actual sales tax collected ✓ <b>\$17.71</b> <a href="#">Sales Tax Report</a></p>	<p><b>Kentucky</b> 🇺🇸 AutoFile Enrollment will open in 9 days</p>
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**2016 Summary (YTD)**

Gross Sales:	\$69,074.06
Taxed Sales:	\$29,304.70
Sales Tax Collected:	\$2,162.79

[Detailed Sales Tax Analysis](#) ▶

**Linked Accounts**

Provider	Transaction Range
Amazon A3HGP2G55579AM	10/26/2014 - 06/27/2016

[Manage Linked Accounts](#) ▶

**Frequently Asked Questions**

# Introduction to Sales Tax for Amazon FBA Sellers

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Amazon FBA sellers are in a unique position when it comes to collecting and remitting sales tax. To a beginning seller, this position can be overwhelming. But never fear!

TaxJar put together this guide to help you understand the basics of sales tax, and walk you through, step-by-step, setting up sales tax collection through your Amazon FBA seller account. We'll walk you through:

- The basics of sales tax
- How to determine your sales tax nexus
- How to apply for a sales tax permit
- How to determine how much sales tax to collect from buyers
- How to set up your Amazon Seller Central account to automatically collect sales tax
- How to automate the whole process and file your sales tax returns with TaxJar!

By the time you finish reading this guide, you will feel confident that you are collecting the correct amount of sales tax from the right customers in the right states, and empowered to continue to grow your FBA business!

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## Part 1: The Basics of Sales Tax for Amazon FBA Sellers

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We talk to a lot of Fulfillment by Amazon sellers while building and improving TaxJar. And one thing we hear time and time again is that FBA businesses go through a very similar learning curve.

A seller will often come to FBA after having dabbled in online sales in other platforms, like reselling old items around the house or thrifting finds on eBay. Soon, they realize how fun and lucrative selling online can be and the business starts to grow.

But that's when sellers start running into the "business" side of eCommerce business. That means bookkeeping, self-employment taxes and the most ubiquitous administrative hassle of them all: sales tax.

If this sounds familiar, then this quick guide is for you. The goal is to explain the **basics of sales tax for new eCommerce sellers** (or seasoned eCommerce sellers who have questions.)

Let's get started:

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### The Basics of Sales Tax

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Forty-five states in the United States (plus Washington D.C.) levy a sales tax. Merchants in these states are required to charge sales tax to buyers.

Sales tax is considered a "**pass-through**" tax, because the merchant is only holding the taxes collected before remitting them to state and local taxing authorities at a set time (usually either monthly, quarterly or annually.)

State and sales tax funds are used to fund state projects and initiatives, including schools, roads, public safety departments, etc.

In the U.S., states have quite a bit of leeway with sales tax administration. Because of this, all 45 states (and don't forget D.C.!) that levy a sales tax have different rules and laws when it comes to sales tax. Sales tax rates can vary by state and locality, too.

One example of how state sales tax rules vary is that some states require you to **charge sales tax on shipping charges**, while others do not. Another example: some states **might require you to renew your sales tax permit** periodically, while others do not.

And confusingly, some local areas may levy sales tax even in states with no statewide sales tax (such as in Alaska.)

It is important to get in touch with your state's taxing authority or an experienced accounting professional should you have questions about sales tax. **[Here's a map](#)** with info on how to contact each state's taxing authority.

## Determining Sales Tax Nexus

Online sellers must collect sales tax in states or localities where they have “sales tax nexus.”

While all states have a slightly different definition of this term, sales tax nexus is generally defined as “physical presence” in a state.

Physical presence can include – but is not limited to – an office, an employee, products or a warehouse.

**If you have sales tax nexus** in a state that requires sales tax collection, then you are required to collect sales tax from all buyers in that state regardless of from where the item is shipped.

**If you do not have sales tax nexus** in a state, then you are not required to collect sales tax when you sell online to buyers in that state regardless of from where the item is shipped.

### Common Nexus Types

#### Home or Office

- Where you live and/or operate your business
- Live in San Jose and sell out of your house
- Comply/collect in CA



#### Inventory

- Inventory is in a 3rd party warehouse
- Live in San Jose with inventory in PA
- Comply/collect in CA & PA

*Dropshipping does NOT apply to either scenario*

### 3 Common Examples of Sales Tax Nexus:

1. You live and run your eCommerce business in Texas. Because you have a physical presence in Texas, you have “sales tax nexus” there, and therefore are **required to collect sales tax from buyers in the state of Texas.**

2. You live and run your eCommerce business in the state of Florida, but you hire your sister in Georgia to help you. Because you operate out of Florida and have an employee in Georgia, you now have sales tax nexus in Florida and Georgia and must collect sales tax from buyers in both states.

3. Most states have ruled – either definitively or vaguely – that **3rd party fulfillment constitutes nexus.** This means that if you store your goods in a warehouse in a state, then that constitutes sales tax nexus. So if you live in Wisconsin, but store your goods in California for the purposes of faster shipping, then you have sales tax nexus in both states.

Example #3 can be especially cumbersome for Amazon FBA sellers, whose goods may be stored in all each of the states where Amazon has a fulfillment center. and where states charge sales tax. Selling with FBA can create a huge administrative burden on unsuspecting eCommerce merchants.

#### Not sure where Amazon stores your products? You can do one of two things:

- a.) **Run a report on Amazon to find out where your Amazon FBA products are stored**
- b.) Login to TaxJar and view which states are indicated by a brown “Amazon badge.” If you don’t have TaxJar, don’t worry. Try a **30-day free TaxJar trial now.**



#### Once you’ve determined where you have sales tax nexus, you’re required to do two things:

- a.) **Obtain a sales tax permit** (sometimes called sales tax license) for that state (in the cases of Amazon FBA this means acquire a license in every state where you have sales tax nexus)
- b.) Begin collecting sales tax in that state (states consider it illegal to collect sales tax without a license)

## Nexus: When to Collect

1. Your business has a presence in a state **significant enough** that you're required to comply with state sales tax law
2. Register your business
3. Collect sales tax on orders shipped to that state
4. Pay what's been collected



### **Nexus**

Nexus for one channel means nexus for your entire business  
Ex: Amazon FBA nexus gives your Shopify business nexus



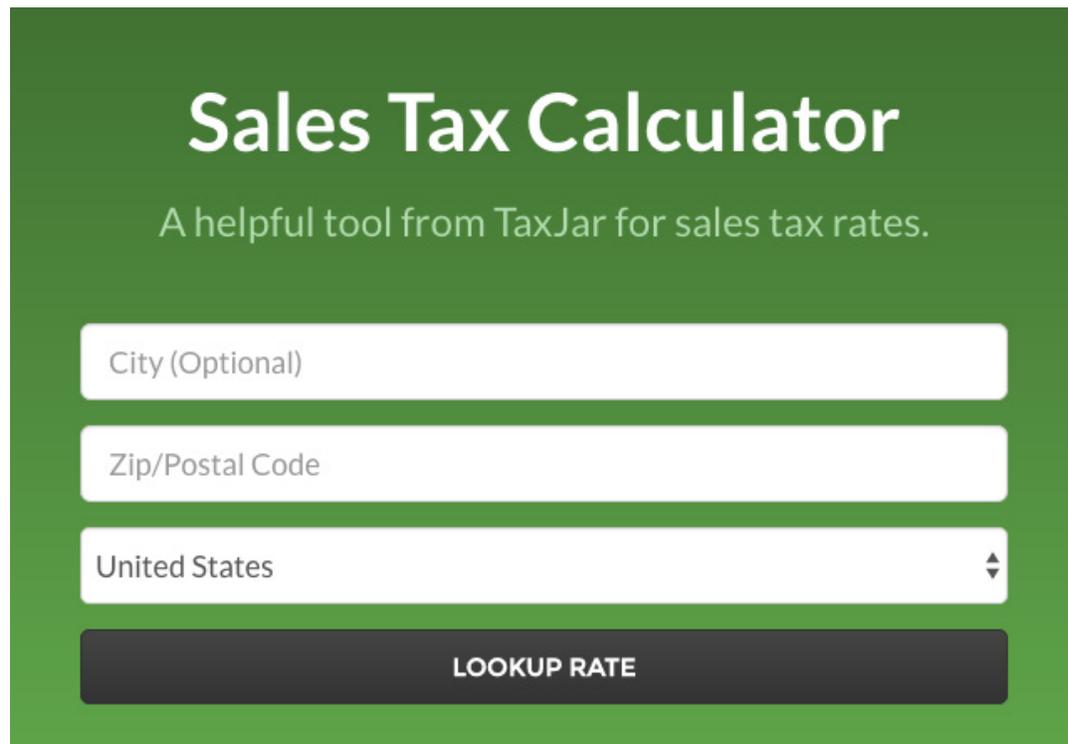
### **No nexus**

No nexus in a state means you don't have to collect

## Collecting Sales Tax from Buyers

Every eCommerce business owner wants their business to grow and thrive. Growth can't be achieved if you have to manually calculate how much sales tax to collect every time you make a sale.

A note on sales tax rates: States set a rate, and then localities can add a percentage on top of those rates. For example, in the 90210 zip code, the tax rate is the 6.5% California statewide rate, a 1% Los Angeles County rate, and an additional 1.5% local rate, for a total of 9.0% sales tax rate.



# Sales Tax Calculator

A helpful tool from TaxJar for sales tax rates.

**LOOKUP RATE**

Luckily, most eCommerce channels allow you to automatically collect sales tax from your customers. We've put together a several guides on how to collect sales tax through popular channels in the [TaxJar Education Center](#).

## Origin-Based Sales Tax States and Destination-Based Sales Tax States

When it comes to determining tax rates, most states fall into one of two major buckets: “origin-based” sales tax states and “destination-based” sales tax states.

In layperson’s terms, this means that some states require you to collect sales tax at the rate effective at the point of “origin” (i.e. your office or warehouse) while most states require you to collect sales tax at the rate of the “destination” (your buyer’s address.)

## Origin vs. Destination-Based Sales Tax Examples

Let’s say you live in (or have a warehouse or office in) Irving, Texas, but sell to someone in Archer City. Texas is an origin-based sales tax state, so you would charge any buyer in the state of Texas a rate of 8.25%. (That’s Texas’s statewide 6.25% rate plus Irvin County’s 1.0% plus a local Dallas MTA rate of 1.00%.) You do not need to take your buyer’s address in Archer City into account.

### Origin: Sale in Texas



**IRVING**

➔



**ARCHER CITY**

	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">State:</td> <td style="padding: 5px;">Irving:</td> <td style="padding: 5px;">Dallas MTA:</td> </tr> <tr> <td style="padding: 5px;">6.25%</td> <td style="padding: 5px;">1.00%</td> <td style="padding: 5px;">1.00%</td> </tr> </table>	State:	Irving:	Dallas MTA:	6.25%	1.00%	1.00%	<b>TOTAL RATE COLLECTED: 8.25%</b>
State:	Irving:	Dallas MTA:						
6.25%	1.00%	1.00%						



But if you live in Stamford, New York the rules are different. Since New York is a destination-based sales tax state, you would be required to collect sales tax at the rate of your buyer's address. So if you sell to a buyer in Buffalo, then you are required to charge the seller 8.75% sales tax – the total sales tax rate at their locality. (That's a New York state base rate of 4.0% plus the Erie County rate of 4.75%).

### Destination: Sale in New York



STAMFORD

➔



BUFFALO

	State: 4.00%	Erie County: 4.75%	<b>TOTAL RATE COLLECTED: 8.75%</b>
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*Important Caveat: Some states are origin-based for sellers who are based in-state, but want sellers based out-of-state to charge sales tax according to destination-based rules. For more information, see [this blog post explaining \*\*Origin vs. Destination Sales Tax Collection in the United States\*\*](#).*

We know that some online sellers also sell offline at brick and mortar stores, trade shows, craft fairs, etc. If you find yourself in a situation where you need to lookup a local sales tax rate, check out TaxJar's [Sales Tax Calculator](#) as a quick reference. You can also go straight to our [mobile sales tax calculator](#) to calculate the sales tax rate where you stand.

Once you have determined your sales tax rate and collected sales tax from buyers, you then have to remit the funds you collected to your state(s). (Remember, sale tax is a pass-through tax and you don't get to keep it!)

If you are concerned that you haven't collected the right amount of sales tax from buyers, check out TaxJar's **"Detailed Sales Tax Analysis Report."** We will search your channels and make sure you collected every penny of sales tax you were supposed to collect.

<b>Detailed Sales Tax Analysis</b>					
January 2014 TO May 2014 <span>Change</span> <span>Clear</span>					
	Total Sales	Taxable Sales	Actual Sales Tax Collected <sup>Ⓢ</sup> Amount (Avg rate)	Estimated tax you SHOULD have collected <sup>Ⓢ</sup> Amount (Avg rate)	Difference
Arizona <small>Nexus: October, 2013</small>	\$7.44	\$0.00	\$0.00 (0.00%)	<b>\$0.09</b> (9.09%)	<b>(\$0.09)</b> Under-collected
Kansas <small>Nexus: December, 2013</small>	\$125.00	\$0.00	\$0.00 (0.00%)	<b>\$10.50</b> (8.40%)	<b>(\$10.50)</b> Under-collected
Michigan <small>Nexus: January, 2014</small>	\$60.55	\$0.00	\$0.00 (0.00%)	<b>\$3.63</b> (6.00%)	<b>(\$3.63)</b> Under-collected
Pennsylvania <small>Nexus: April, 2014</small>	\$27.50	\$0.00	\$0.00 (0.00%)	<b>\$1.65</b> (6.00%)	<b>(\$1.65)</b> Under-collected
Texas <small>Nexus: January, 2014</small>	\$9.62	\$0.00	\$0.00 (0.00%)	<b>\$0.79</b> (8.21%)	<b>(\$0.79)</b> Under-collected
No Nexus					
Florida <small>Nexus: None</small>	\$251.50	\$0.00	\$0.00 (0.00%)		
New York <small>Nexus: None</small>	\$39.70	\$0.00	\$0.00 (0.00%)		
Oklahoma <small>Nexus: None</small>	\$3.67	\$0.00	\$0.00 (0.00%)		
<b>Total</b>	<b>\$524.98</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$16.66</b>	

See a problem? You can also click on each state on your TaxJar dashboard and see an **“Expected Sales Tax Due Report”**. This report will show you how much we thought you should have collected in each state and taxing district (city, county, etc.) to help you figure out where the discrepancy lies.

**Florida**  
Sourcing: Destination

Year 2015  
Jan 1 - Dec 31  
Filing Period: Annually [\(change\)](#)

Actual Sales Tax Collected | Expected Sales Tax Due

*This report reflects TaxJar's best guess as to how much sales tax you owe. We may overstate your liability if you sell many exempt items.*

**Gross sales** ● \$5,310.72  
[view transactions](#)

Jurisdiction	Gross Sales	Taxed Sales	Expected Discretionary Sales Surtax Collected
GLADES COUNTY	\$1,821.69	\$1,821.69	\$18.22
HENDRY COUNTY	\$1,161.91	\$1,161.91	\$11.62
LEON COUNTY	\$812.59	\$0.00	\$12.19
MIAMI-DADE COUNTY	\$1,514.53	\$1,514.53	\$15.15
<b>Taxed Sales: \$4,498.13</b>			<b>Discretionary Sales Surtax: \$57.18</b>
Amounts subject to surtax at a rate DIFFERENT than your county surtax of 0.00%: \$4,498.13			<b>Florida State Taxes: \$318.64</b>
			<b>Discretionary + State Taxes: \$375.81</b>
			Sales tax payments made: ● \$0.00
			<b>Expected Sales tax due Jan 20, 2016: ● \$375.81</b>

Why is this so important? Sometimes your state can decide to perform a sales tax audit on your business. We’ve heard from many sellers (and accountants!) that these audits are more arduous than IRS audits. This is just another reason why it’s so important to get a handle on sales tax early – before the state gets a handle on you!

## Remitting Sales Tax to State Taxing Authorities

A state’s taxing authority is generally called the “[State] Department of Revenue” though it can go by other names. (For example, California’s taxing authority is the “California Board of Equalization.”)

When you apply for your sales tax permit with your state’s taxing authority, they will assign you a frequency at which to file and remit sales tax. This is generally monthly, quarterly or annually, and often depends on your sales volume or the volume of sales tax you collect.

Most states require that you file a sales tax return even if you do not owe sales tax. If you do not file, you could be subject to penalties. Pay close attention to instructions you receive when you secure your sales tax permit. TaxJar’s **AutoFile** will file even your **“zero returns”** for you.

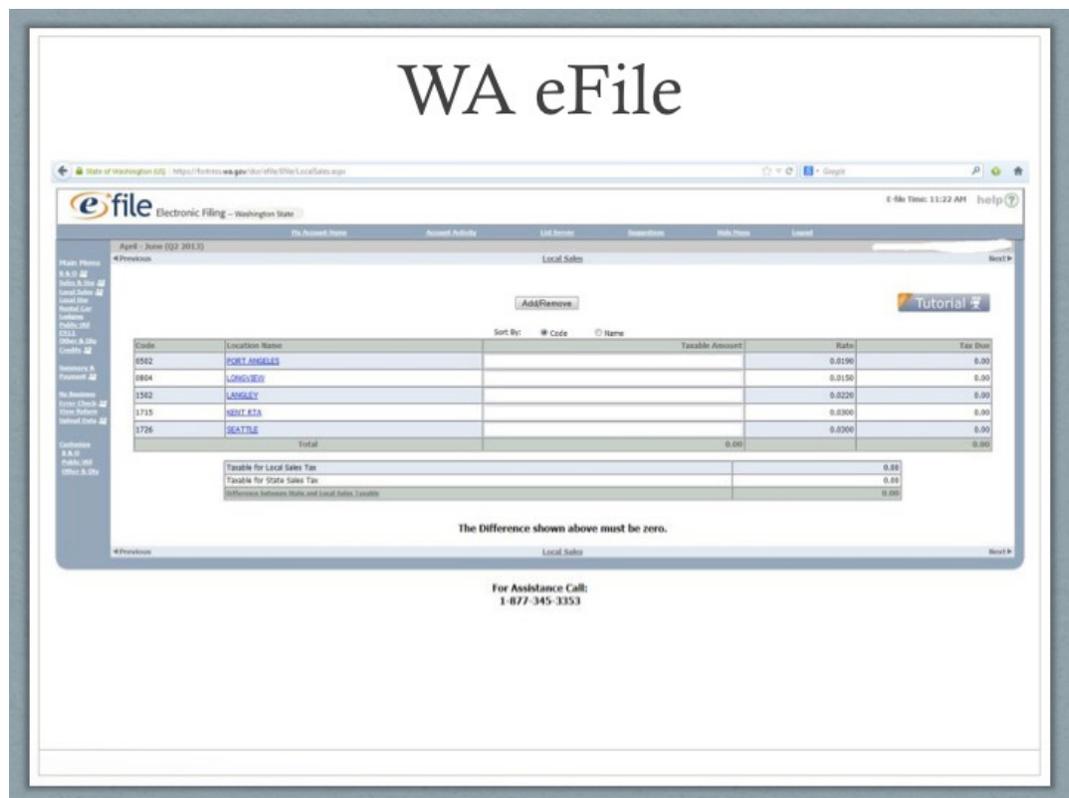
## Sales Tax Filing Due Dates

Be warned that while a majority of states set their sales tax due date as the 20th of the month following the taxable period, states can vary wildly in their sales tax due dates. If you are a quarterly payer, be sure you are aware of which date your state considers a “quarterly” due date. Sales tax filing due dates can vary to a surprising degree. TaxJar will remind you when your sales tax returns are due, and even file them for you in many cases.

## How to File Sales Tax Returns

As with sales tax rules, every state has slightly different requirements for filing sales tax returns. Most states allow you to file and pay online, and some even require it.

Be warned that some states are harsh taskmasters (usually ones that are destination-based for tax collection), and require you to report how much sales tax you collected in *every single sales tax district*. Some states have hundreds of sales tax districts, so this can easily turn into a nightmare – especially if you’re filing in multiple states at a time.



*Destination-based sales tax state Washington requires eCommerce sellers to file sales tax by jurisdiction.*

**TaxJar** has you covered here, too. If you integrate your eCommerce channel accounts, we'll categorize your sales tax collected for you, and give you a return-ready sales tax report.

## Washington

Destination Sourcing
Shipping Taxable

Actual Sales Tax Collected
Expected Sales Tax Due

*This report reflects sales tax that you actually collected. It is likely only as accurate as the tax collection settings in your shopping carts.*

**Gross sales** 👆 **\$97,637.28** (not including sales tax collected)  
[View transactions](#) • [View gross sales from all states](#)

	Total Sales	Taxed Sales	Local Sales Tax Collected
ABERDEEN (1401)	\$108.46	\$108.46	\$2.30
AIRWAY HEIGHTS (3201)	\$14.91	\$14.91	\$0.36
ALGONA (1701)	\$9.63	\$9.63	\$0.28
ANACORTES (2901)	\$371.55	\$371.55	\$7.40
ARLINGTON (3101)	\$525.68	\$526.54	\$11.83
AUBURN (2724)	\$1,020.26	\$1,020.26	\$29.81
BAINBRIDGE ISLAND (1804)	\$685.57	\$685.57	\$15.00
BATTLE GROUND (601)	\$491.88	\$491.88	\$7.10
BEAUX ARTS (1703)	\$9.64	\$9.64	\$0.29
BELLEVUE (1704)	\$2,998.02	\$2,998.02	\$89.84
BELLINGHAM (3701)	\$1,487.23	\$1,487.23	\$32.30

**Year 2016**

Jan 1 - Dec 31

Filing Period: Annually [\(change\)](#)

*Sales tax filing is easy in even the trickiest states with TaxJar's state reports.*

And TaxJar's **AutoFile** feature will actually file your sales tax return for you in many states. With TaxJar, there's no dealing with spreadsheets or poring over sales tax tables to try and determine how much sales tax you collected from each jurisdiction.

## Summary of the Basics of Sales Tax for Online Sellers

To be sales tax compliant as an online seller you must:

1. Determine where you have sales tax nexus
2. Register for a **sales tax permit** in each state where you have nexus
3. Set up your channels to collect the correct amount of sales tax from buyers
4. Periodically file sales tax for each state where you have sales tax nexus

This may seem overwhelming, but that's the big reason we created **TaxJar** for online sellers.

### Dashboard

You have 1 linked account.  
Last Updated: Jun 27, 10:15 AM UTC

States in which you are collecting sales tax and filing manually

<p>Next filing due: <b>July 20, 2016</b> Monthly ↗</p>	<p>Actual sales tax collected ✓</p> <p><b>\$15.26</b></p> <p><a href="#">Sales Tax Report</a></p>	<p><b>Arizona</b> 🇺🇸</p>
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<p>Next filing due: <b>July 20, 2016</b> Quarterly ↗</p>	<p>Actual sales tax collected ⚠</p> <p><b>\$49.57</b></p> <p><a href="#">Sales Tax Report</a></p>	<p><b>Pennsylvania</b> 🇺🇸</p> <p>Filing this month? <a href="#">Use Expedited AutoFile</a></p>
<p>Next filing due: <b>July 20, 2016</b> Quarterly ↗</p>	<p>Actual sales tax collected ⚠</p> <p><b>\$8.94</b></p> <p><a href="#">Sales Tax Report</a></p>	<p><b>South Carolina</b> 🇺🇸</p> <p>AutoFile Enrollment will open in 9 days</p>

#### 2016 Summary (YTD)

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[Detailed Sales Tax Analysis](#)

#### Linked Accounts

Provider	Transaction Range
<b>Amazon</b> A3HGP2G5S579AM	10/26/2014 - 06/27/2016

[Manage Linked Accounts](#)

#### Frequently Asked Questions

- How do I get the numbers in Taxjar to match my Shopping cart?
- Additional Support FAQs
- What is nexus?

Your TaxJar dashboard makes sales tax tracking simple, even in multiple states.

## TaxJar will:

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1. Import the sales tax you've collected through your eCommerce channels
2. Prepare easy-to-read sales tax reports for each state
3. Remind you when sales tax is due
4. **Automatically file your sales tax returns** so you don't have to worry about paying the wrong amount or missing a filing optional
5. And most importantly, save you hours and hours of manually dealing with sales tax tables and spreadsheets

If you have any questions about sales tax, we invite you to ask below in the comments or to join our [Sales Tax for eCommerce Sellers Facebook Group](#) where real online sellers and tax experts gather to discuss sales tax.

Sign up today for a **30-day free trial of TaxJar** and get started automating your sales taxes so you can get back to the fun parts of running your business.

## Part 2: How to Collect Sales Tax Through Amazon FBA

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Every state that Amazon has a warehouse in **considers your inventory nexus** (a presence sufficient enough that you are required to register your business with the state, collect sales tax, and remit that sales tax collected to the state when they tell you to).

Now that you've recognized the need to comply in multiple states, the next step is to correctly setup sales tax collection in Seller Central. And that's what this guide is all about. The following pages will give you an overview of how to use Tax Settings and, most importantly, apply the correct settings for each of the FBA states.

## Checklist

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Before you get started, make sure you have all of the following.

**A Professional Seller Account**

\* Note: Individual Accounts cannot use the Amazon tax service. At the bottom of this page is information Amazon provides on how to upgrade from an Individual Account to a Pro Account.

**Know the states in which you have nexus.**

Here's a link to a page explaining which states Amazon FBA sellers have nexus in.

**State registration numbers in each state you want to collect sales tax.**

This assumes you have registered your business in each state. Remember that most states consider it to be unlawful to collect sales tax without a license.

**\* Upgrading to a Pro Account:**

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1. Go to your **Seller Account**.
2. Under the Settings heading, click the "Account Info" link.
3. On the Seller Account Information page, go to the Selling Plan section and click the "Modify Plan" button.
4. On the next page, click the "Upgrade" button.
5. Review the information on the next page and click the "Proceed to Upgrade" button to accept the terms and switch your plan.

*After clicking the "Proceed to Upgrade" button, you will be returned to your Seller Account Information page and see a message indicating that the upgrade process has begun. Your subscription to the new selling plan will begin immediately, and additional links to Professional seller tools will appear on your Seller Account page. Some billing features may take up to 30 minutes to become effective. Once the upgrade process is completed you will no longer be charged the \$0.99 closing fee on your orders. You will instead be charged a monthly subscription fee of \$39.99 for your Professional selling plan.*

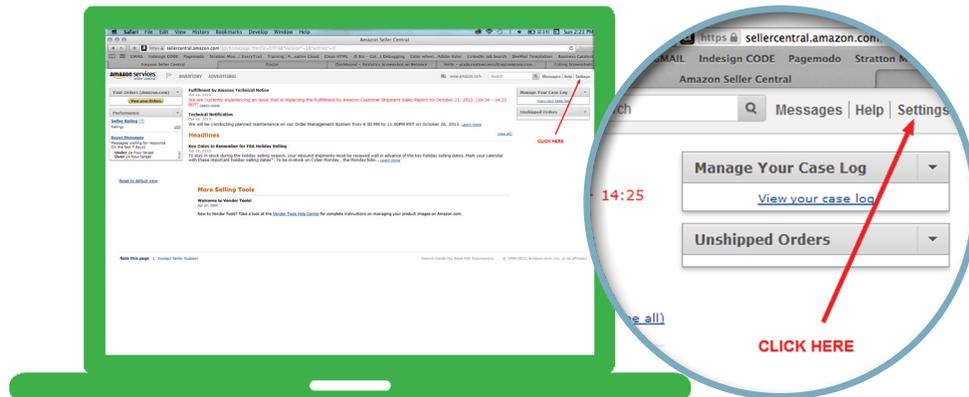
## Getting Started

Here are the steps to begin collecting sales tax through Amazon:

First, go to [Seller Central](https://sellercentral.amazon.com) and login to your account.



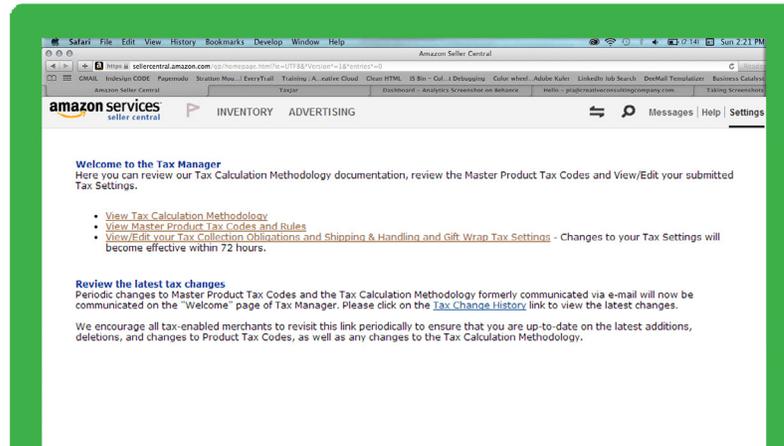
Next, click on **“Settings”** and then click **“Tax Settings”** from the dropdown menu.



**Note:** If you can't see **“Tax Settings”** as an option to click then your Amazon Seller account is an individual account, not a Professional Account.

## Tax Settings Overview

The first screen you'll see in 'Tax Settings' should look like the screenshot below.



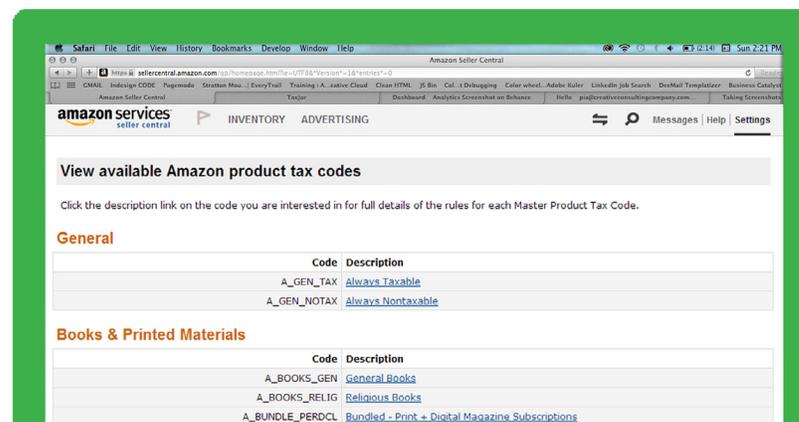
You will notice three clickable options. Below is a simple review of each option.

### View Tax Calculation Methodology

This is recommended reading. It explains how Amazon's tax service actually works. You can't find this info anywhere else.

### View Master Product Tax Codes and Rules

This is really helpful if you have questions about the taxability of the items in your inventory. Amazon provides product tax codes (PTCs) that you can assign to your inventory that helps classify how sales tax should be collected (or not collected if the item is not taxable). Here's a screenshot of just the top of the list of PTCs.



## Matching each item you sell to a specific PTC.

### Ex: Let's take A\_BOOKS\_GEN.

Here's what Amazon says about this PTC:

#### What is this code used for?

This code is intended to be used for books.

#### What kinds of products are typically included?

Items typically included within this product tax code include books. A book is defined as a set of printed sheets bound together.

#### What kinds of products are typically excluded?

Items typically excluded from this tax product code are as follows: Religious Books, Newspapers, Electronic Books

Using the same example, if you sell newspapers on Amazon, the most important thing to get out of the above you shouldn't be using the A\_BOOKS\_GEN PTC. You'll notice there are a bunch of options to help you better classify newspapers.

The other really helpful thing to notice below the description of the tax code is the Product Taxability Rules. This tells you if that PTC is taxable. If it is, you'll see a "T." If it's not taxable, or exempt from sales tax, you'll see an "E." Some tax codes may be exempt or taxable until a certain price. That's also represented in the table.

You'll notice the Product Taxability Rules give you taxability not only for the state but also for local jurisdictions (County, City, and District). Remember, in certain states the sales tax rate may be a sum of several different taxes. Even though you only see one sales tax rate being charged, that rate could be the state, the county, the city, and even a special district tax all added up into one.

For the most part, if the state considers something to be taxable then the local jurisdictions follow suit. Rarely are there discrepancies between the state and a local tax jurisdiction on the taxability of an item.

For more about PTC's check out our [Amazon Product Tax Code FAQ](#).

We also have a handy video that goes over these steps.

## CLICK HERE TO CHECK IT OUT



## View/Edit your Tax Collection and Shipping & Handling and Gift Wrap Tax Obligations Settings

This is where all of the magic happens. For you as an FBA seller, this is the most important section of Tax Settings because this is where you're telling Amazon when to collect sales tax.

Before getting to the actual decision-making part of the process, let's go through numbers 1 through 4 at the top of the page in plain English.

### 1. Choose your Product Tax Codes

Here you can either choose a default PTC (Amazon calls this "seller defined") for all of your items by checking the box that says **Use default Product Tax Code** or assign a PTC at what Amazon calls the "offer level" (which means assigning PTCs for individual items). Amazon says, "you can make an offer level PTC assignment through your listings feed or the Add a Product feature in Seller Central."

Note: Amazon says items that don't have either a default PTC or an offer level PTC will result in no sales tax collected.

### 2. Specify your Tax Collection Obligations (States, Counties, Cities, Districts)

Amazon gives you the option to collect sales tax at the state level all the way down to the local level. You can collect no sales tax, collect for both the state and all of the local jurisdictions, or collect only part of the sales tax required. That's all up to you the seller to decide.

One important thing that Amazon points out is that in order to use this option you'll need a valid state registration number. Without that number, this option won't work.

The biggest question FBA sellers ask is, "What should I collect?". We'll cover that shortly.

### 3. Specify a Custom Rate per State (Optional)

As you can probably tell from the title this means that you can choose to collect sales tax at a flat tax rate for a state instead of using Amazon's tax settings for a state. If you use a custom rate you are choosing not to use Amazon's predetermined rates for state and local jurisdictions. Your rate overrides everything.

You should know that using the custom rate means that rate will apply to any item you sell that's taxable. PTC's that are by default exempt will still remain exempt.

#### 4. Choose Shipping & Handling and Gift Wrap Tax Settings

Unfortunately for FBA sellers, the states don't agree if shipping, handling, or gift wrap charges that are separately stated on an invoice are taxable or not. **Some states say they are taxable**, some say they're not.

Amazon allows you to decide if you want to tax shipping, handling, and gift wrap charges. The gift wrap portion of this is related to the actual service of gift-wrapping, not the paper that you wrap in item in.

Here's the way it works: if you choose to tax shipping, handling, or gift wrap then Amazon will charge sales tax at the same rate the item that's being shipped or handles is being taxed. For example, if the sales tax rate for the item you're selling is 8.25%, then the sales tax rate for shipping on that item will also be 8.25%. If the item is not taxable, then the shipping, handling, or gift wrap will not be taxed.

## Tax settings for FBA states.

Each state is broken down by sellers living in-state and out-of-state sellers.

Tax Collection		Tax Jurisdictions					Custom Rate	Shipping & Handling Taxability		Gift Wrap Taxability	
Obligations											
Information provided by TaxJar Prepared by Mark Faggiano											
		State	County	City	District	State Registration Number	Custom Rate (%)	Taxable (if item is taxable)	Nontaxable	Taxable (if item is taxable)	Nontaxable
Alabama	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arizona	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arkansas	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
California	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colorado	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Connecticut	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
D.C.	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Florida	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
Georgia	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Hawaii	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
Idaho	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
Illinois	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Indiana	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Iowa	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Tax settings for FBA states.

Each state is broken down by sellers living in-state and out-of-state sellers.

Tax Collection Obligations		Tax Jurisdictions				Custom Rate	Shipping & Handling Taxability		Gift Wrap Taxability		
		State	County	City	District	State Registration Number	Custom Rate (%)	Taxable (if item is taxable)	Nontaxable	Taxable (if item is taxable)	Nontaxable
Kansas	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Kentucky	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Louisiana	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	
Maine	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
Maryland	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
Mass	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
Michigan	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Minnesota	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Mississippi	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Missouri	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Nebraska	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Nevada	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	
New Jersey	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	

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Information provided by TaxJar Prepared by Mark Faggiano											
		State	County	City	District	State Registration Number	Custom Rate (%)	Taxable (if item is taxable)	Nontaxable	Taxable (if item is taxable)	Nontaxable
New Mexico	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
New York	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
N. Carolina	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
N. Dakota	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Ohio	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Oklahoma	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
Penn	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
R. Island	FBA living in state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>				<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
S. Carolina	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
S. Dakota	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
* Tennessee	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Texas	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Utah	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>		<input type="radio"/>

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Information provided by TaxJar Prepared by Mark Faggiano											
		State	County	City	District	State Registration Number	Custom Rate (%)	Taxable (if item is taxable)	Nontaxable	Taxable (if item is taxable)	Nontaxable
Vermont	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
Virginia	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/> **	<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/> **	<input type="radio"/>	
Washington	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>			<input type="radio"/>
W. Virginia	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Wisconsin	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>		<input type="radio"/>		<input type="radio"/>	
Wyoming	FBA living in state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	
	FBA living out-of-state	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value="Enter your number"/>			<input type="radio"/>	<input type="radio"/>	

\*The state of Tennessee gives online sellers based outside of the state the option to either collect a 9.25% flat rate or collect sales tax at the rate of the buyer's ship to address. For our purposes, TaxJar assumes that you collect sales tax at the rate of the buyer's destination.

\*\*Virginia and Maryland state that shipping is not taxable in many cases, but shipping and handling, when combined, is taxable. After consulting with sales tax experts, we have decided to treat shipping charges for FBA sellers as non-taxable in these two states.

## Conclusion

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Now that you are set up to collect sales tax on Amazon, keep in mind that it's up to you to file sales tax returns and pay what you owe to the states. Until TaxJar, that was a cumbersome, time-draining process because many states demand you report sales tax collected subtotaled at the city and county level.

## Using TaxJar makes tracking and paying sales tax simple

- **SAVES HOURS** per filing period with automated sales tax reports for every
- **EASY AND RELIABLE** reports mean no more spreadsheets or state websites!
- **AUTOFILE** sales tax returns in many states, saving you hours.
- **LOW COST** starting from as little as \$19 per month

**TRY TAXJAR**

Start your 30-day free trial

(No Credit Card Required)

[Learn More. Watch the Video.](#) 

## About TaxJar

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TaxJar was founded by small business experts with a simple mission: helping online sellers simplify the hassles of tracking and filing sales tax so they can focus on growing their businesses rather than dealing with compliance issues. The customer-driven company has a successful history of developing tax and accounting systems used by tens of thousands of small businesses to solve common operational problems.