How Remote Sellers are Determined by the Department of Revenue

(Remote Sellers as defined by SDCL 10-64-2)

Remote Sellers are sellers defined by SDCL 10-64-2:
- Sellers with no physical presence in South Dakota that have gross sales over $100,000 in a calendar year.
- Sellers with no physical presence in South Dakota that have 200 or more sales transactions in a calendar year.

Sellers that have a physical presence in South Dakota are **not** remote sellers. A physical presence includes:
- The presence of a seller’s property in South Dakota.
- The presence of a seller’s sales staff in South Dakota.
- The presence of a seller’s own vehicle in South Dakota.

The Department of Revenue is working to identify all sellers that hold a sales tax license that are remote sellers as defined by SDCL 10-64-2.

There are two groups of sellers that the Department considers remote sellers.

<table>
<thead>
<tr>
<th>Non-Nexus Sellers</th>
<th>Sellers licensed through the Streamlined Sales Tax Project</th>
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| - Tax license applicants make their application directly to the Department and the Department contacts the applicant to issue the license asking why they are getting a license.  
  - Applicants voluntarily registering without a physical presence and who do not meet the remote seller criteria are specifically tracked.  
  - Applicants registering due to the remote seller law are specifically tracked.  
  - The Department periodically reviews licensees to determine if their physical presence status has changed.  
  - When the physical presence of a licensee has changed, our records are updated accordingly. | - Tax license applicants make their application directly to the Streamlined Sales Tax Project, and get a license.  
  - The licensees have an out of state address.  
  - The Department has no information that the licensee has any physical presence in South Dakota.  
  - The Department has made the assumption that these licensees do not have a physical presence in South Dakota, and consider these licensees remote sellers. |