



# 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.

<p><b>Non-Nexus Sellers</b></p>	<ul style="list-style-type: none"> <li>• 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.               <ul style="list-style-type: none"> <li>○ Applicants voluntarily registering without a physical presence and who do not meet the remote seller criteria are specifically tracked.</li> <li>○ Applicants registering due to the remote seller law are specifically tracked.</li> </ul> </li> <li>• The Department periodically reviews licensees to determine if their physical presence status has changed.               <ul style="list-style-type: none"> <li>○ When the physical presence of a licensee has changed, our records are updated accordingly.</li> </ul> </li> </ul>
<p><b>Sellers licensed through the Streamlined Sales Tax Project</b></p>	<ul style="list-style-type: none"> <li>• Tax license applicants make their application directly to the Streamlined Sales Tax Project, and get a license.</li> <li>• The licensees have an out of state address.</li> <li>• The Department has no information that the licensee has any physical presence in South Dakota.</li> <li>• The Department has made the assumption that these licensees do not have a physical presence in South Dakota, and consider these licensees remote sellers.</li> </ul>