

Income/Franchise:

Pennsylvania DOR Addresses Nexus and Voluntary Compliance Program for Online Retailers

Tax Obligations for Online Retailers, Pa. Dept. of Rev. (12/24). Pennsylvania Department of Revenue (Department) guidance explains that under Pennsylvania law, a business with property or inventory in Pennsylvania generally is subject to Pennsylvania taxes (including Pennsylvania corporate net income and sales/uses taxes), and that “this requirement applies to online retailers with inventory stored at a distribution or fulfillment center located in Pennsylvania.” Regarding Pennsylvania’s corporate net income tax (CNIT), the guidance generally states that domestic and foreign corporations are subject to it for the privilege of doing business, carrying on activities, having capital or property employed or used in Pennsylvania, or owning property in Pennsylvania – and clarifies that a corporation that maintains inventory in Pennsylvania is subject to the CNIT.

URL: <https://www.pa.gov/agencies/revenue/resources/tax-types-and-information/tax-obligations-for-online-retailers.html>

The guidance also reminds that the Department offers a “Voluntary Compliance Program” for an eligible business that has inventory or stores property in Pennsylvania but is not registered to collect and pay Pennsylvania taxes [see *State Tax Matters*, Issue 2021-24, for more details on this program]. According to the Department, “this program offers a limited lookback period and penalty relief when the business becomes compliant.” Please contact us with any questions.

URL: https://dhub.deloitte.com/Newsletters/Tax/2021/STM/210618_1.html

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