



SALES TAX and my invoice from IMI: FAQ

Last Update: 2/6/20

I do not see a tax line on my quote, why should I pay tax now

Our quotes state that due to the Supreme Court's ruling on the [Wayfair vs South Dakota](#) case, we may be liable to collect sales tax in your state.

We cannot calculate the correct sales tax ahead of the time we invoice for your products. Sales tax rates change all the time; AVALARA will automatically charge the correct sales tax at any time in the process.

What is the trigger for IMI to start collecting sales tax?

For most states, we have reached [Economic or Physical Nexus](#). Since the advent of the online commerce, states have put their sights on a REMOTE sellers (like IMI) and have enacted laws to put the burden of sales tax collection with the REMOTE SELLER.

I heard certain states are free of sales tax??

Correct, there are a handful of states where no STATE sales tax is due; yet there may still be sales tax due to municipalities within those states. See more [about this here](#).

The tax amount on today's invoice for the same project is different than on prior invoices

States change sales tax percentages frequently; AVALARA captures these changes and applies the correct % that is in force on the [date your invoice is created](#).

Your invoice mentions a line item for "AVA TAX but not "Sales Tax"

Avalara is our service provider who does all the hard work for you and IMI. It is a public company that takes care of sales tax work for the large and small companies

I calculated or estimated my sales tax to be a different amount than what IMI charges in the (pro forma) invoice and I am requesting an adjustment in the sales tax amount charge

Avalara is our service provider who does all the hard work for you and IMI. **IMI does NOT "charge" sales tax.** Every invoice (pro forma or regular invoice) is electronically submitted to Avalara and returned to IMI with the applicable state and Local sales tax calculated and added to the invoice in the "AVATAX" line. IMI does not have access to this calculation to change any part of this amount. Avalara is a public company, certified by all 50 states as a 3rd party sales tax administrator Avalara takes care of sales tax work for both large and small businesses.

ALSO: keep in mind that, by law, AVALARA will calculate your sales tax obligation based on the SHIP TO ADDRESS, not where the PO is originated.

My state does not charge for CRATING nor FREIGHT to the Jobsite

Our SKU numbers for materials, freight and crating are "mapped" to different tax code numbers to allow for proper calculation. While the state may not charge for crating and freight, your local municipality and county may. Or...vice versa.

I plan to file a use tax report and pay directly to my State

Perfect. Please provide us a Sales Tax Exempt certificate for our files that states your intent to file a USE TAX return



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Will I pay Sales tax on your merchandise only or also on the crating and the freight?

It depends upon the state. Certain states exclude transport, others treat crating at a different rate than transport. We have mapped our billing skus to capture the proper sales tax % for your specific job site.

We issue Purchase Orders (PO's), how do we handle the sales tax amounts over the PO amount?

Send IMI a Variance Purchase Orders so that the payment and invoice amounts line up.

I had to make a USE TAX payment to the municipality when we applied for the building permit. Now you are charging me sales tax again and I do not want to pay sales tax twice.

Certain municipalities will require a USE TAX deposit when the permit is pulled. The USE tax paid at that time is only a small portion of the total Sales or Use Tax due on the job.

When you pay Sales Tax on the value of your purchases from IMI, your accountant will apply that amount as a credit on your next Use tax filing to the local Municipality and the State. You are NOT charged sales tax twice for the same product

Imported Products (like some of IMI's shower glass) is not subject to sales tax.

ALL products sold between 2 US entities are subject to sales tax no matter the country of origin.

Conclusion:

Becoming tax compliant in all 50 states was a massive undertaking.

In the end , please understand that

- ***we are doing this to protect YOU, our customers, YOUR project.***
- ***We partnered with the very best company out there to help us (and you, our customer) to be tax compliant in all states. [\(AVALARA\)](#)***
- ***as with payroll processing, it is better to do it correctly using a certified specialist than to face penalties at a later date.***

Thank you for your support and understanding