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## **It's Unanimous - All Nine U.S. Supreme Court Justices Agree that Quill Corp. v. North Dakota was Wrongly Decided, and Five Vote to Overrule It in South Dakota v. Wayfair, Inc.**

Yes, you read that correctly. On June 21, 2018, the United States Supreme Court handed down its decision in [\*South Dakota v. Wayfair, Inc.\*](#) [1] (We've discussed the background to *Wayfair* [here](#), [here](#), [here](#), and [here](#).) The Court, by a 5 - 4 majority, held that a vendor need not have a physical presence in a state in order to have a "substantial nexus" with the state under the Commerce Clause that could obligate the vendor to collect sales or use taxes on sales made to customers who reside in the state and to remit those taxes to the state. Consequently, the Court overruled its prior holdings in *National Bellas Hess, Inc. v. Department of Revenue of Illinois*, 386 U.S. 753 (1967), and *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), that a vendor must have a physical presence in a state to be required to collect sales/use taxes on sales made to residents of that state.

To learn what three things you should know about *Wayfair* and its effect on remote (read: Internet-based) vendors, read on after the jump.

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By Michael Cullers on June 28, 2018

The Public Finance Tax Blog

**Squire Patton Boggs**

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