

Bond Case Briefs

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S&P: Online Sales Tax Collections Continue To Grow; Helped Offset Pandemic Declines Last Year

Key Takeaways

- Since the South Dakota v. Wayfair, Inc. decision in June 2018, online sales tax collections have surged across the U.S. with the enactment of economic nexus laws, which consider remote sellers to have an economic presence in a state if they meet certain sales or revenue thresholds.
- All states with a sales tax have enacted marketplace facilitator collection laws. This requires online marketplaces to collect taxes on behalf of their sellers, leading to more online sales being incorporated into governments' tax bases.
- Online sales tax collections helped mitigate pandemic-related declines in total sales tax collections for many U.S. cities in 2020 and we expect these collections will help support sales tax revenues as online sales proliferate the marketplace.

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