

AUCTION SERVICES LTD.

Sales Tax Collection



What Is Sales Tax?

Sales tax is a point-of-purchase charge that is paid by the purchaser and remitted by the seller or their agent to the applicable state and/or local tax collection agency. This amount is set by the governmental agency for either the type of products sold, and/or the location of the items.

Sales Tax Exceptions

There are exceptions to every rule and sales tax is no different. In our state, it's simply a matter of the purchaser who meets certain qualifications, completing a sale tax exemption agreement which states that they qualify for exemption according to one or more items from a list of pre-determined rules. This list is usually based on the state that you reside in or on the type of business you are engaged in. When completed and returned to us... any applicable sales tax is not collected at the time of purchased and any future taxes due become the responsibility of the purchaser based on the type of exception you maintain. *The exemption forms you provide us, is renewed each calendar year and kept on file with our firm and is supplied to the appropriate agency upon request.*

Our Policy...

In order to reduce the difficulty of when to collect sales tax and/or who to send it to... our auction terms for participation in our auction(s) now designates that the **“point of delivery”** for any item(s) purchased from us ... no matter what method of purchase is used... is the address location of the item. Even if you are having an item shipped to you... the point of acceptance by the delivery agent will be considered the Delivery Location that the item was shown in the auction information as the **“auction location”** or **“auction site”** and the approximate sales tax or that location will be charged, collected and sent to the appropriate agency. No Refund of sales tax will be made once those money's have been reported and paid to the state agency.

Therefore, all Non-titled items purchased (Unless a Sales Tax Exception Agreement is on file) will be charged sales tax based on the **address listed as point of delivery**. Since titled items usually require the purchaser to pay other fees and/or the difference in taxes that our state collects... we will **NOT Charge** tax on the sale of items which have a title. Any and all taxes associated with this type item will be the full responsibility of the purchaser to report as wells as the payment of the tax due by you in accordance with your states rules and regulations.

As an auction company... One of the toughest areas to truly understand and implement correctly is sales tax. With the proliferation of online bidding, it's become even more complicated to understand what is and what is not taxable, as well as which agency should the collected sales tax be sent to.

The New Supreme Court Ruling.

With the most recent Supreme Court Ruling (*South Dakota vs Wayfair*) the burden to collect sales tax and send it to the appropriate agency has shifted directly to the auction company and the penalty for not collecting the tax and sending it to the correct agency lies directly on our shoulders.