



SALES TAX RESPONSIBILITY

& NEXUS NOTICE

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Please review the following important information regarding sales tax obligations:

What is Nexus?

"Nexus" is a legal term that determines whether a business has a sufficient presence in a particular state to require the collection and remittance of that state's sales tax. Nexus can be created by factors such as:

- Maintaining a physical office, warehouse, or employees in the state
- Holding inventory in the state
- Reaching certain sales or transaction thresholds within the state (commonly known as "economic nexus")

Our Responsibility vs. Your Responsibility

When We Have Nexus: If our company has nexus in your state, we are required by law to collect the appropriate state and local sales tax on your purchase, and it will appear on your invoice. We then remit those taxes directly to the state on your behalf.

When We Do Not Have Nexus: We only obtain the correct sales tax licenses when we are legally obligated to do so under a state's nexus requirements. If we have not met the nexus threshold in your state, we are not permitted to collect sales tax on your purchase. In those cases, you, as the purchaser, may be responsible for self-assessing and remitting any applicable use tax directly to your state tax authority.

Your Potential Obligation

If sales tax is not included on your invoice, it does not necessarily mean the transaction is exempt from tax. Many states require businesses (and sometimes individuals) to report and pay use tax on taxable purchases when sales tax was not collected by the seller.

Action Recommended

- Review your state's sales and use tax laws.
- Consult with your tax advisor or accounting department regarding your obligations.
- Maintain this invoice as part of your tax records.

Important Disclaimer

We are not providing tax, legal, or accounting advice. This notice is for informational purposes only. For guidance on your specific situation, please consult your professional tax advisor or the appropriate state taxing authority.