

Sales/Use:

New Jersey: COVID-19 Temporary Suspension Period for Sales Tax Nexus Purposes Ends October 1

Teleworking – End of COVID-19 Temporary Suspension Period for Nexus and Withholding Purposes, N.J. Div. of Tax. (updated 8/3/21). The New Jersey Division of Taxation (Division) posted updated guidance addressing the impact of telecommuting and nexus in light of the COVID-19 pandemic – providing that its temporary waiver of New Jersey’s sales tax nexus standard for employees working in New Jersey as a result of the COVID-19 pandemic no longer applies on and after October 1, 2021. On and after October 1, 2021, the Division states that the “pre-pandemic” sales tax nexus standard applies whereby an employee working from home generally will create sales tax nexus for an employer because working at a location in New Jersey is considered in-state physical presence.

URL: <https://www.state.nj.us/treasury/taxation/covid19-payroll.shtml>

Under New Jersey’s temporary waiver, so long as an out-of-state seller does not maintain any physical presence other than employees working from home in New Jersey due to the COVID-19 pandemic, *and* is “below the economic thresholds,” the Division will *not* consider the out-of-state seller to have nexus with New Jersey for sales tax purposes during the waiver time period. Please contact us with any questions.

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