

## Sales/Use/Indirect:

### Virginia Department of Taxation Says Online Banner Advertisements Alone Do Not Impart Nexus

*Public Document No. 22-55, Va. Dept. of Tax. (3/30/22).* In a ruling involving whether Virginia's sales and use tax nexus requirements are met through the use of online banner advertisements, the Virginia Department of Taxation held that, under the provided facts, this form of advertising alone does *not* meet the requirements for nexus as set out in Virginia Code § 58.1-612 C and therefore a dealer engaging solely in such activity in Virginia generally would *not* be required to collect and remit Virginia sales and use tax. Under the provided facts:

**URL:** <https://www.tax.virginia.gov/laws-rules-decisions/rulings-tax-commissioner/22-55>

1. Banner advertisements are image-based digital advertisements embedded on a webpage intended to attract traffic to the website or product of the advertiser;
2. This form of banner advertising generally entails the advertiser pay a host website a fee in one of three ways: cost per impression, cost per click, or cost per action; and
3. The banner advertisements are then placed on the host website and visitors to the host's website are shown the advertisement.

Please contact us with any questions.

— Joe Carr (McLean)  
Managing Director  
Deloitte Tax LLP  
[josecarr@deloitte.com](mailto:josecarr@deloitte.com)

Ryan Trent (Charlotte)  
Senior Manager  
Deloitte Tax LLP  
[rtrent@deloitte.com](mailto:rtrent@deloitte.com)

Michael Spencer (Washington, DC)  
Manager  
Deloitte Tax LLP  
[mispencer@deloitte.com](mailto:mispencer@deloitte.com)

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

**About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.