
NOTICE

Saturday, July 1, 2023

Increased Threshold Requirements for Monthly Estimated Sales Taxes

Effective October 1, 2023, the average monthly tax liability for a taxpayer to be required to make state sales tax estimated payments will increase from \$5,000 or greater to \$20,000 or greater, thereby providing substantial relief to small businesses.

Taxpayers' monthly state sales tax returns for the calendar year 2022 will be reviewed to identify those that are affected by the threshold change. You will be notified by letter if your state sales tax account is impacted.

If it is determined that your average monthly state sales tax liability is greater than or equal to \$20,000, then you will be required to make estimated payments on your monthly state sales tax return. The first estimated payment will be included on the September 2023 return that is due on or before October 20, 2023. Estimated payments must be at least two-thirds of the actual amount of tax due for the same calendar month last year, or two-thirds of the tax due for the current month.

If it is determined that your average monthly state sales tax liability is less than \$20,000, then you will no longer be required to make estimated payments on your monthly state sales tax return. You should take credit on the September 2023 return for the estimated payment remitted with the August 2023 return and enter a zero on the line for the current month estimate due.

If you have questions, contact ALDOR's Sales Tax Administration Section:

Contact

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Sales Tax Administration Section
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