

OPINION

FORUM

COLLECTING ONLINE TAXES

To the Editor:

Alv Elvestad wrote about the *Milwaukee Journal Sentinel* editorial you reprinted on July 27 ("Problem With Taxing Online Sales," Aug. 2). He noted that many early-stage companies cannot deal with

"all of the paperwork that would be imposed on us to provide sales tax collection for multiple states."

He is correct in saying the issue is complex. Online retailers must comply with the registration, collection, reporting and remitting requirements of the more than 11,000 taxing jurisdictions in the U.S. (states, counties, cities, etc.). However, this problem has led to the formation of several companies that provide sales tax collection, filing and remittance services for online retailers like Mr. Elvestad's. One that comes to mind is Avalara (www.avalara.com), headquartered in Bainbridge Island, Wash.

Elvestad's sales tax issues are similar to the payroll tax registration, filing and remittance requirements for companies with employees in multiple states. This situation led to the formation in the 1970s and 1980s of multi-state payroll services such as ADP and Paychex. And, just as companies have outsourced their payroll tax processing, they will soon be outsourcing their sales and use tax processing.

MICHAEL GONNERMAN
Hanover