The E-commerce Founder's Sales Tax Survival Guide

Stay Compliant and Scale without the Headache

Kintsugi

The E-commerce Founder's Sales Tax Survival Guide: Stay Compliant and Scale Without the Headache

Sales tax might not be the most exciting part of running your Shopify or Amazon store—but ignoring it can lead to serious consequences. From unexpected audits and steep penalties to stunted growth, compliance missteps can cost e-commerce founders time and money. In today's fast-moving digital landscape, staying ahead of sales tax obligations across multiple states is no longer optional—it's essential.

The E-commerce Founder's Sales Tax Survival Guide is here to help you navigate the complexities, avoid common pitfalls, and confidently scale your business. You'll discover how automating your sales tax processes gives you a competitive edge by saving you hours of manual work and reducing risk as your business grows.

Understanding E-commerce Sales Tax

Sales tax is the consumption tax charged on goods and services and contributes about a third of state tax revenue. Consumers generally pay sales tax at the point of sale while businesses are required to charge, collect, and remit sales tax to the government.

Sales tax for US e-commerce is a state-level tax that businesses must collect from customers and remit to the appropriate state or local tax authority. Unlike income tax, which is paid by the business, sales tax is paid by the customer at the point of sale. It's the seller's legal responsibility to calculate, collect, and file it correctly. This becomes especially complex with e-commerce, where you may sell across multiple states with different rules and rates.

What makes sales tax compliance challenging is nexus, the connection that creates tax obligations in a state. Nexus can be triggered in two main ways:

- **Physical nexus,** like having inventory in a state (e.g., Amazon FBA warehouses).
- **Economic nexus,** where your sales or number of transactions in a state exceed a specific threshold (e.g., $100,000 in revenue or 200 transactions)—thresholds that vary widely by state.

State governments are actively enforcing these rules, especially after the 2018 South Dakota v. Wayfair decision, which expanded states' authority to tax remote sellers.

The collection of sales tax on e-commerce transactions is an effective way to fund the government. According to Digital Commerce 360's 2025 state of America Ecommerce Report, e-commerce accounts for at least a fifth of U.S. retail sales tax every year since 2020 and e-commerce sales have continued to grow, without exception, annually. In 2023, e-commerce sales were $1,103.64 billion and increased by 7.5% to $1,192.59 in 2024. In the same year, e-commerce's growth was over twice the rate of total retail sales.

E-commerce sales are expected to make up 21.9% of all retail sales by 2025, according to Statista. Thus, it's understandable that the government has been increasingly strict with e-commerce sales tax compliance in the past years.

Tax non-compliance can result in audits, back taxes, interest, and penalties that drain your resources and damage your growth trajectory. That's why understanding—and managing—sales tax is critical for every e-commerce founder aiming to scale responsibly.

Sales tax is painful.
Expensive to get wrong.
And feels like there should
be a better way.

Now there is. Meet Kintsugi.

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E-commerce Sales Tax

What is **e-commerce sales tax?**

E-commerce sales tax is a percentage of the price charged and collected from online buyers.

Global eCommerce Share of Retail Sales: 2022 - 2027

Year	Share
2015	7.4%
2016	8.6%
2017	10.4%
2018	12.2%
2019	13.8%
2020	17.8%
2021	18.9%
2022	18.9%
2023	19.5%
2024	20.3%
2025	21.1%
2026	22.2%
2027	23%

Data Source: Statista

How can you **trigger nexus?**

- If you have a physical location
- When your sale exceeds a given threshold of $100,000 in revenue or 200 transactions. This varies widely by state.

2024
1,192.59

2023
1,103.64

2024
22.7%
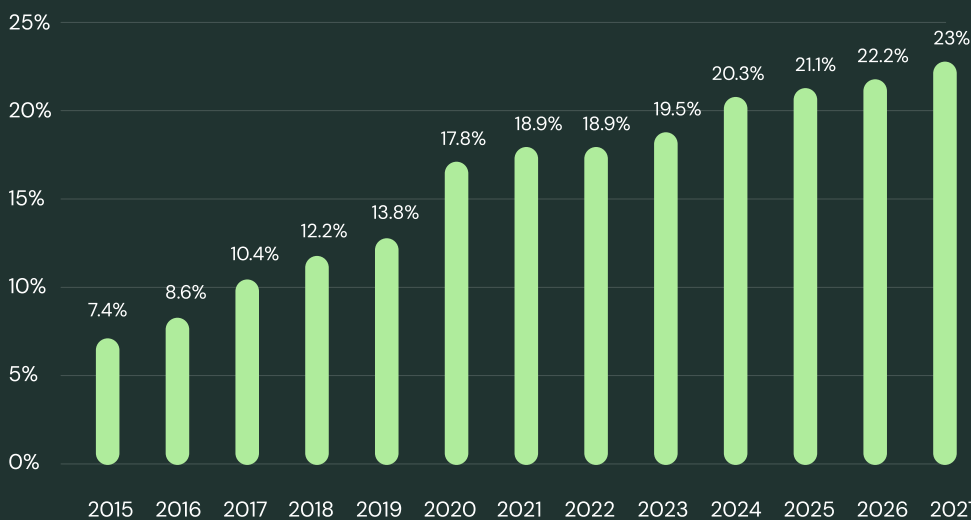
What are the e-commerce founder's **sales tax responsibilities?**

- Determine where you have nexus.
- Register for a sales tax permit.
- Charge and collect the correct amount of sales tax.
- File returns and remit taxes.

2024
$5,246.78

2023
$5,088.32
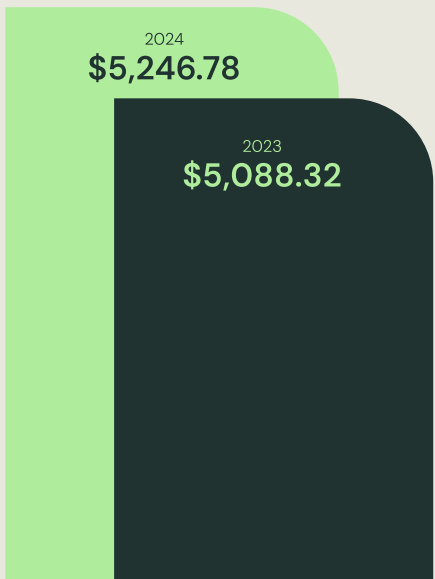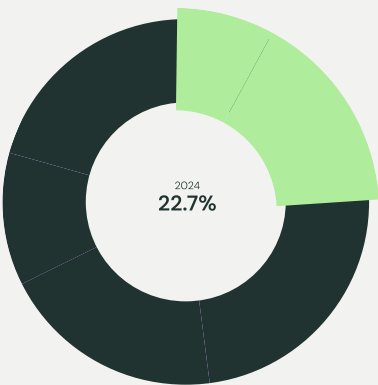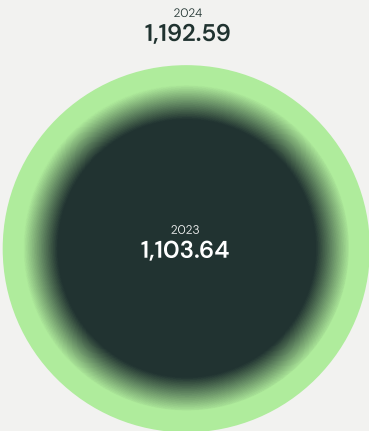
Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

2.77B
billion people shop online globally in 2025.

33%
of the world's population is shopping online

2.2%
more online shoppers now than there were in 2024

2.8%
Online shoppers are predicted to increase to 2.86 billion in 2026

Source: Digital Commerce 360, U.S. Department of Commerce retail data; March 2025

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What's your responsibility as an e-commerce founder when it comes to sales tax?

E-commerce founders like you are responsible for managing the full lifecycle of sales tax compliance across all states where you operate your business and ship to. Your responsibility starts with determining where you have nexus, whether through physical presence or crossing an economic threshold in a state.

Once nexus is established, you must register your business with that state's tax authority before collecting any sales tax. After registration, you must accurately collect the correct sales tax amount on each taxable transaction based on the customer's location.

However, the work doesn't stop there — you have to file and remit sales tax to the relevant state either monthly, quarterly, or annually, depending on the jurisdiction requirements.

Also, you must be mindful of product taxability because not all items are taxed equally. Some goods, like groceries, clothing, or digital products, may be fully or partially tax-exempt, depending on the state.

Yes, it can be confusing. For instance, retail sales are generally taxable since they are sold directly to the end consumer. However, wholesale sales are tax-exempt only when the buyer provides a valid resale certificate.

Additionally, dropshipping is another factor that makes e-commerce complex. Dropshipping involves three parties — the customer, your store, and the third-party supplier that delivers the products directly to the customer. The arrangement can create multi-state nexus exposure if your supplier has a warehouse or facilities in other states that can trigger tax obligations for you.

As an e-commerce founder, your responsibilities include determining where you have nexus, registering for sales tax permits when you trigger nexus, charging the correct sales tax rates, filing returns, and staying compliant with sales tax rules.

5 Costly Mistakes E-commerce Brands Make

When selling on platforms like Shopify and Amazon, sales tax compliance isn't just a legal obligation—it's a critical component of business sustainability. Overlooking or mismanaging sales tax can lead to numerous issues. Here are the common mistakes that most e-commerce founders encounter.

1. Absorbing tax on every order by mistake

Tax absorption is not legal in most states because it makes auditing more difficult. However, some states like Pennsylvania, Texas, Georgia, Hawaii, Louisiana, Maryland, Massachusetts, Michigan, Missouri, New Mexico, South Carolina, South Dakota, Tennessee, Washington, and Wisconsin allow it.

Some retailers absorb sales tax during sales tax holidays to encourage customers to buy more. Buyers love to shop during this season, but non-qualifying items are still subject to sales tax, so some retailers absorb sales tax for more sales. Others do it to avoid confusion because customers are baffled when they pay and realize that some items are tax-exempt while others are not. However, this becomes a problem when you absorb sales tax unknowingly.

Absorbing tax on every order happens when an e-commerce business mistakenly pays the sales tax out of its own revenue, instead of collecting it from customers. This happens due to a misconfiguration in sales tax settings.

Pricing and cost issues are one of the top 10 reasons e-commerce businesses fail within the first 120 days, according to Comma Consulting.

Absorbing sales tax can significantly erode your profits, especially as your sales volume increases. For instance, if you're selling a product for $100 in a state with a 7% sales tax and not collecting that tax from the customer, you're effectively reducing your revenue by $7 per sale. This adds up to substantial losses after hundreds or thousands of transactions.

2. Misclassifying products (e.g., apparel vs. accessories, food vs. merch)

Misclassifying products for sales tax purposes is a prevalent and costly error among e-commerce businesses. This occurs when a product is incorrectly categorized regarding its taxability, leading to either overcharging customers or under-collecting taxes, which can result in financial penalties and damage customer trust.

Several factors contribute to this issue, including complex tax regulations, evolving product categories, lack of standardization, and human error. Many e-commerce entrepreneurs are not fully aware of the nuanced taxability rules for each item, which may result in inadvertently misclassifying products.

Misclassifying products can have significant financial repercussions. Under-collecting taxes due to misclassification can result in owing back taxes, interest, and penalties. Overcharging customers may lead to refund obligations and harm the business's reputation. Plus, the administrative burden of rectifying these errors can be substantial.

3. Ignoring marketplace facilitator rules

Another common and costly sales tax mistake e-commerce founders make is ignoring marketplace facilitators' laws. The 2018 South Dakota v. Wayfair decision requires online marketplaces like Amazon, Etsy, and eBay to collect and remit sales tax on behalf of sellers for transactions made through their platforms.

E-commerce sellers often assume online platforms handle all sales tax obligations. However, most fail to realize that sales tax collection responsibilities differ between channels.

For instance, Amazon and eBay collect and remit taxes for their sellers. However, Shopify merchants are responsible for managing tax compliance independently.

Ignoring marketplace facilitator rules can have severe financial repercussions, which can be costly. Among the significant impacts most sellers overlook is double taxation, unpaid tax liabilities, inaccurate sales tax reporting, and risk of audits, which may result in hefty fines and penalties.

4. Relying solely on Shopify or a CPA for compliance

Relying solely on Shopify's built-in tax features or a generalist CPA for sales tax compliance is a common misstep among e-commerce sellers. While these resources offer foundational support, they often fail to address multi-state sales tax regulations' intricate and evolving landscape, leading to significant financial and operational risks.

For Shopify, although the platform provides basic tools for sales tax collection, it doesn't automatically handle tax compliance for you. Merchants are still responsible for determining nexus, registering sales tax permits, and filing returns.

According to the Shopify Help Center, while Shopify helps automate sales tax charging, it doesn't remit or file taxes on your behalf unless you use Shopify Tax and set it up for automated filing.

Also, Shopify Tax may not be the best option out there for Shopify merchants because it "can't calculate industry specific taxes," per Sales Tax Institute. It has no taxability matrix too, so you'll need to conduct your own testing to verify that the tax calculations align with your expectations.

On the other hand, not all CPAs have the specialized knowledge required for e-commerce sales tax compliance. For instance, not all are experts in marketplace facilitator laws, managing multi-state taxation, and recognizing which products are taxable or exempt in specific states.

Shopify and CPAs failing to adhere to sales tax obligations can result in you owing back taxes, being subjected to additional charges (interests and penalties), and even time-consuming and costly audits.

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5. Missing nexus triggers due to remote employees or wholesale orders

In the evolving landscape of e-commerce, overlooking sales tax nexus triggers—particularly those arising from remote employees and wholesale transactions—can lead to significant financial and legal repercussions.

The rise of remote work has introduced new complexities in tax compliance. Having a remote employee in a state can establish a physical presence, thereby creating a sales tax nexus in that jurisdiction. This means businesses must collect and remit sales tax for sales made to customers in that state. For instance, a company headquartered in Texas with a remote employee in Michigan may inadvertently establish a nexus in Michigan, necessitating compliance with that state's tax laws.

Engaging in wholesale transactions adds another layer of complexity. Sales to resellers are typically tax-exempt, but only if the seller obtains and maintains valid resale certificates from the buyers. Failing to collect these certificates can result in the seller being held liable for uncollected sales tax, along with potential penalties and interest.

Non-compliance can trigger back taxes and penalties. Delayed payments often accrue interest, increasing the total amount owed. It also increases audit risks and, worst, may harm your company's reputation.

If any of these mistakes sound familiar, let's get ahead of them together.

Book a demo

5 Costly Mistakes E-commerce Brands Make

Absorbing tax by mistake

For example, you sell a product for $100 in a state with a 10% sales tax. If the sales tax automation tool is configured correctly, the checkout total should be $110. ($100 for the product + $10 tax). Absorbing sales tax by mistake means the checkout total remains $100.

Misclassifying products

Product misclassification occurs when you incorrectly categorize the items you sell regarding their taxability, leading to either overcharging customers or under collecting taxes.
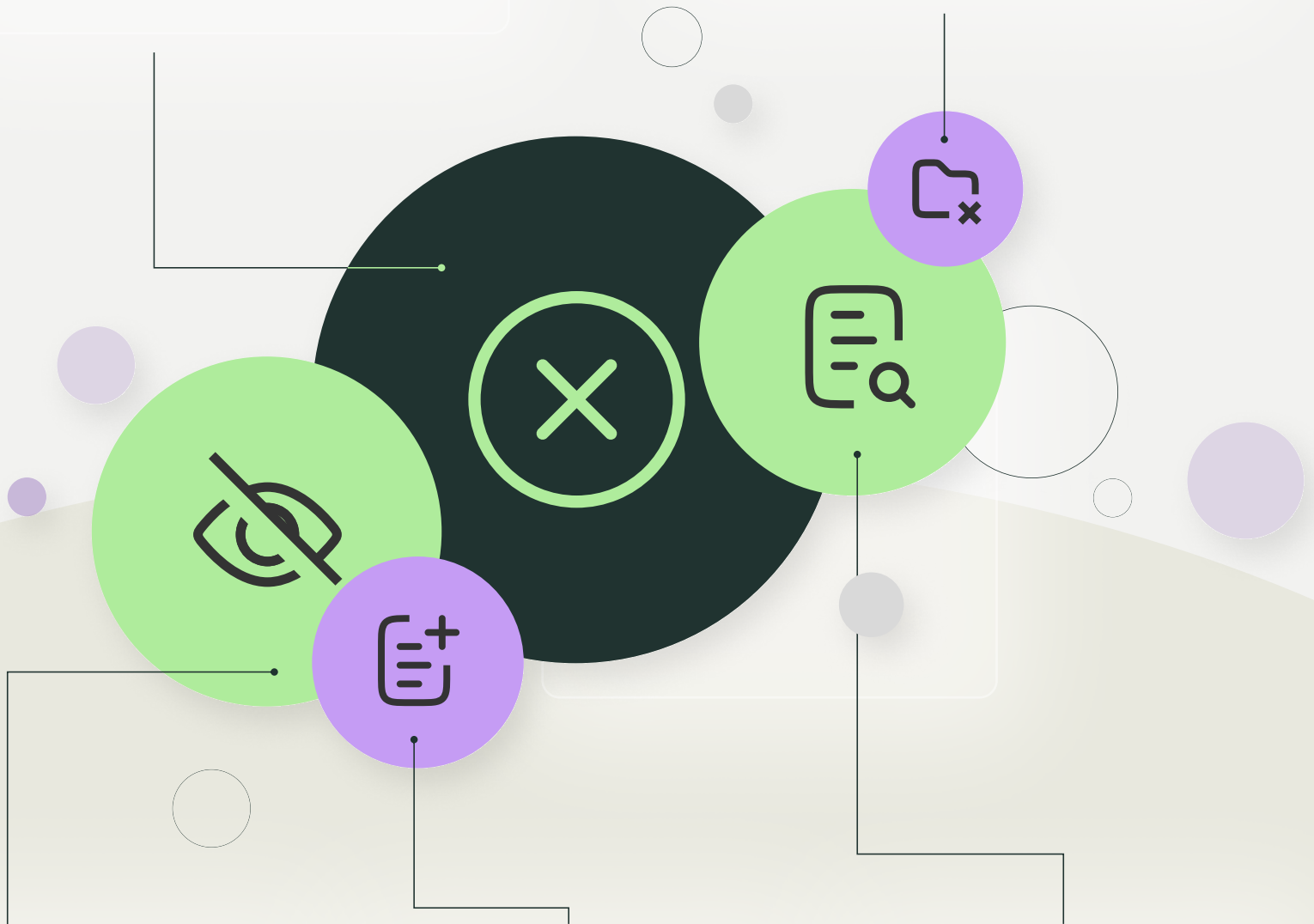
Ignoring marketplace facilitator rules

Sales tax collection responsibilities differ between marketplace channels. For instance, Amazon and eBay collect and remit taxes for their sellers, while Shopify merchants are responsible for their sales tax compliance. Many companies assume their platform has taken care of their taxes.

Relying solely on Shopify or CPA for compliance

Shopify helps automate charging sales tax but doesn't remit or file taxes for you. Also, not all CPAs have the specialized knowledge required for e-commerce sales tax compliance.

Missing nexus trigger

Engaging in remote work and wholesale transactions can be tricky. A company based in Texas with remote employees in Michigan may inadvertently establish a nexus in Michigan. Wholesale transactions are only tax-exempt when the buyer presents a valid resale certificate.

Manual Tax Management Is Breaking Your Business

Manual tax management can work, but with the evolving sales tax compliance requirements, the traditional process becomes daunting and prone to error. Eventually, instead of helping your business, it might be breaking it. Here's how it does:

Time-Consuming Compliance Tasks

Manual tax management demands substantial time investment. On average, managing tax compliance manually takes over nine hours per month. This extensive time commitment diverts resources from core business activities, such as product development and customer engagement, potentially stunting growth.

Switching to sales tax automation makes a huge difference. Ravi Melwani, VP of Finance & Operations at Obvi, said in the early years of their operations, they used to manage sales tax compliance manually, but it took several hours and involved a team of people. Then they started spending two hours for the task twice a month, but when they switched to Kintsugi, they only spent "two minutes twice a month" for sales tax management.

Elevated Risk of Errors in Multi-State Sales

Managing sales tax manually across multiple states increases the likelihood of errors due to varying tax laws and rates. Common mistakes include miscalculating tax rates, failing to recognize nexus obligations, and missing filing deadlines. Such errors can lead to audits, penalties, and back taxes, posing significant financial risks. For instance, discrepancies between reported and actual sales figures are a common audit trigger.

Hidden Costs and Support Challenges with Legacy Providers

There are several tax automation services in the market offering solutions to your tax problems but are not upfront in terms of their pricing and quality of customer support. Customers have reported hidden fees or unexpected charges, such as late-funding fees, increased rate after a year of subscription, and difficulties obtaining timely support. These challenges can lead to additional costs and delays in resolving compliance issues, further complicating tax management.

Manual Sales Tax Management   VS   Sales Tax Automation

| Manual Sales Tax Management	Sales Tax Automation
Time Time-consuming; requires hours of research, calculations, & filing across jurisdictions.	**Time** Saves time with automatic rate calculation, reporting, & filing.
Accuracy Higher risk of human error, outdated rates, or missed obligations.	**Accuracy** High accuracy with real-time updates & consistent calculations.
Cost Lower upfront cost but can result in penalties, interest, or hiring a CPA.	**Cost** Monthly subscription costs but prevent costly mistakes & unnecessary penalties or charges.

6 Factors To Look For In A Sales Tax Automation Provider

Seamless integration

The sales tax solution should seamlessly integrate with your ERP, HR, and e-commerce platforms like Shopify, Amazon, BigCommerce, Stripe, Chargebee, and more, without frequent manual intervention or the need for expert support.

ERP — **HR** — **E-Commerce Platforms** — **& More**
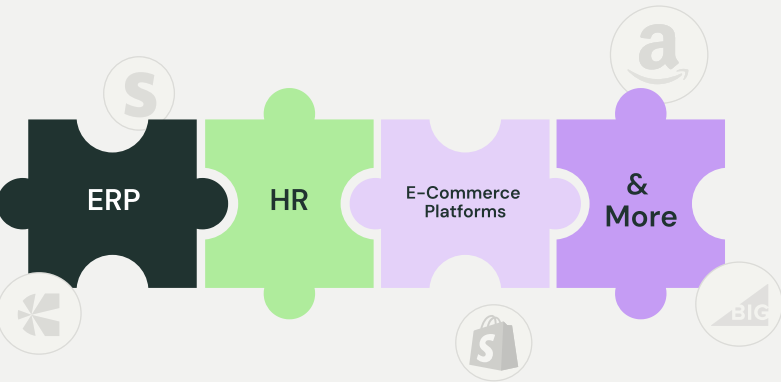
Accurate rates, calculations, & automated filing

Data Analysis
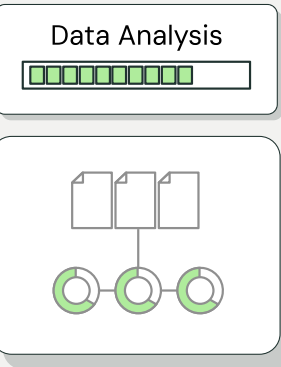
The sales tax automation tool should apply the updated tax rates and rules without manual intervention for accurate calculation.

It should also offer automated filing to avoid missing remittance deadlines and late fees.

Responsive Support

Sales tax rules are complex and change frequently, so if you encounter any problem (filing error, nexus threshold concern, or incorrect tax calculation), it should be resolved immediately.

Otherwise, you will incur penalties, receive customer complaints, or face high audit risks.

Filing error
Nexus threshold concern
Incorrect tax calculation
Responsive support
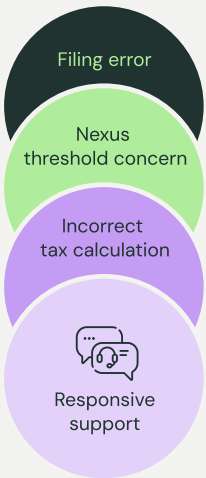
Monitor exposure

A good sales tax solution will help you monitor your nexus exposure and alert you when you're approaching or exceeding thresholds so you can register, collect, and remit taxes on time.

COLLECT REMIT REGISTER
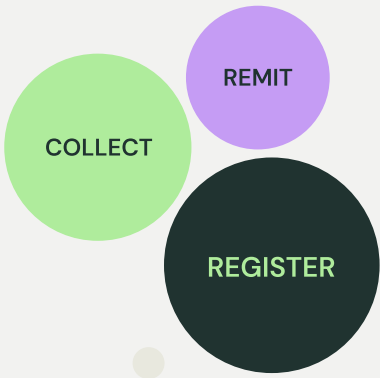
Clear audit trails & error detection

The tool should log every transaction, including the date, location, amount, and specific tax rate applied in the jurisdiction it relates for audit purposes. It's even better if the tool can help detect past errors so you can resolve them before the IRS notices them.

Flat & transparent pricing

The tool should log every transaction, including the date, location, amount, and specific tax rate applied in the jurisdiction it relates for audit purposes. It's even better if the tool can help detect past errors so you can resolve them before the IRS notices them.

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STARTER	PREMIUM
★ ★ ★	★ ★ ★ ★ ★
$75	**CUSTOM**

What to Look For in a Tax Solution

Navigating the maze of sales tax regulations is challenging, but the right tax solution can make it effortless. From automated filings to real-time rate calculations, having the right tools can save you hours of tax work, minimize risks, scale with your business as you expand, and prevent costly errors.

Here are six factors to prioritize when selecting the perfect tax solution for your e-commerce business.

1. Seamless integration (e.g., no manual mapping)

For e-commerce merchants using Shopify, BigCommerce, WooCommerce, or Amazon, a seamless integration with sales tax software is not just a convenience; it's a necessity. When a sales tax automation tool integrates with your e-commerce platform, it does what it's supposed to do, calculate taxes accurately while ensuring that it applies current tax rules and accurate product-specific tax categories. No manual mapping and adjustment of tax rates according to state-specific laws because manual entry is prone to typos and miscalculations.

2. Exposure Monitoring

Monitoring exposure is an important feature of a sales tax tool because it helps you know when you have nexus and where you should collect and remit sales tax, especially when doing business with multiple states. Failing to track exposure could lead you to unknowingly miss new tax obligations in states where you meet sales thresholds, leading to non-compliance, penalties, and interest.

A good sales tax tool alerts you when you're approaching or exceeding these thresholds so you can register, collect, and file taxes on time, keeping your business compliant and audit-ready.

3. Accurate rates, calculations, and automated filing

The tool should be able to correctly apply updated sales tax rates and complex tax rules like destination-based or origin-based tax rates without manual intervention.

Real-time syncing of sales tax rates and rules eliminates guesswork, reduces errors, and ensures your business is compliant.

Additionally, tracking sales across different states and filing tax returns is time-consuming, making it easy to miss because many do not want to confront it head-on. However, with automated filing and remittance, you don't have to worry about missing remittance deadlines, late fees, or penalties. Automated filing and remittance save you hours each month.

4. Clear audit trails and error detection

State tax authorities are becoming increasingly aggressive in auditing e-commerce businesses, especially as online sales grow. According to a Sales Tax Institute's survey, 15% have received audit requests from states related to economic nexus since the Wayfair decision in 2018.

Thus, it's important that the sales tax tool you choose automatically logs every transaction, including the date, location, amount, specific tax rate applied, and the jurisdiction it relates to. Any adjustments or overrides made during checkout should also be documented.

A clear audit trail lets your business provide tax authorities with complete transaction histories. Additionally, it shows transparent calculations for tax rates, exemptions, and remittance details, which demonstrate compliance, reducing the risk of disputes or additional penalties.
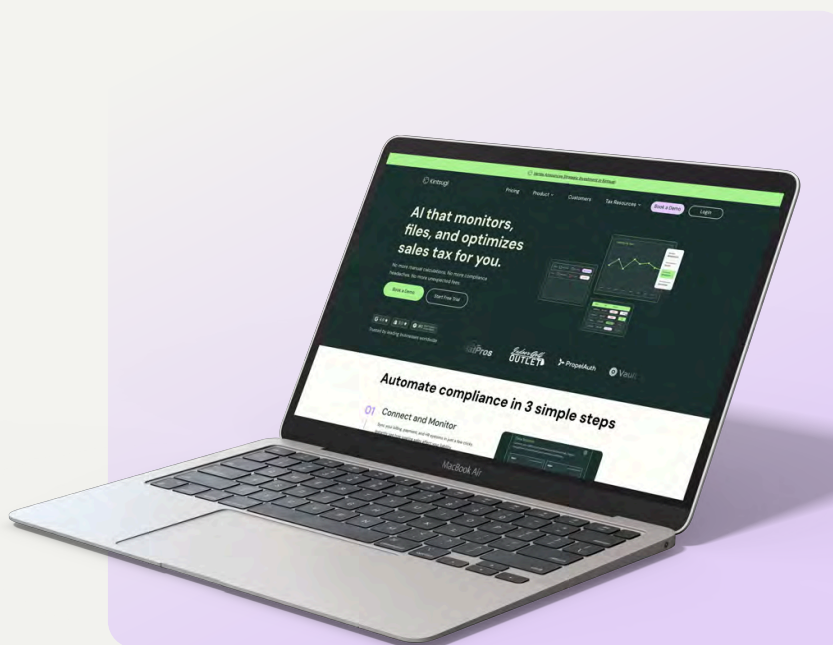
5. Flat, transparent pricing, not per-transaction billing

Automating your sales tax compliance should not leave you with shocking expenses. Flat, transparent pricing is the ideal choice for e-commerce businesses because it tells you exactly how much you pay monthly, regardless of your sales volume. This provides predictability for accurate budget forecasting, reduced financial risk, and simplified cost management.

Per-transaction pricing scales with every sale, so the cost rises exponentially during high-traffic seasons like Black Friday or holiday campaigns. This eats into your margins.

For example, if you're charged $0.15 per transaction and process 10,000 orders in a busy month, that's $1,500 just for sales tax processing. If you double your volume, you double your fees.

On the other hand, flat pricing remains constant no matter the volume you sell. It encourages growth without penalizing you for success.

6. Responsive support, not offshore delays

Sales tax compliance is a complex and ever-changing landscape. With varying tax rates, constantly shifting regulations, and multi-state obligations, e-commerce sellers must have quick, reliable access to knowledgeable support.

Sales tax deadlines are strict, and missing a filing date could mean late fees, interest on unpaid taxes, and possible penalties for non-compliance. You need a fast turnaround time when a concern is raised.

Unfortunately, not all sales tax solutions deliver the best experience. Many customers have to wait days for a response to their email. Some even pay an additional fee for a premium customer service only to be let down because they didn't feel supported at all, despite the extra cost.
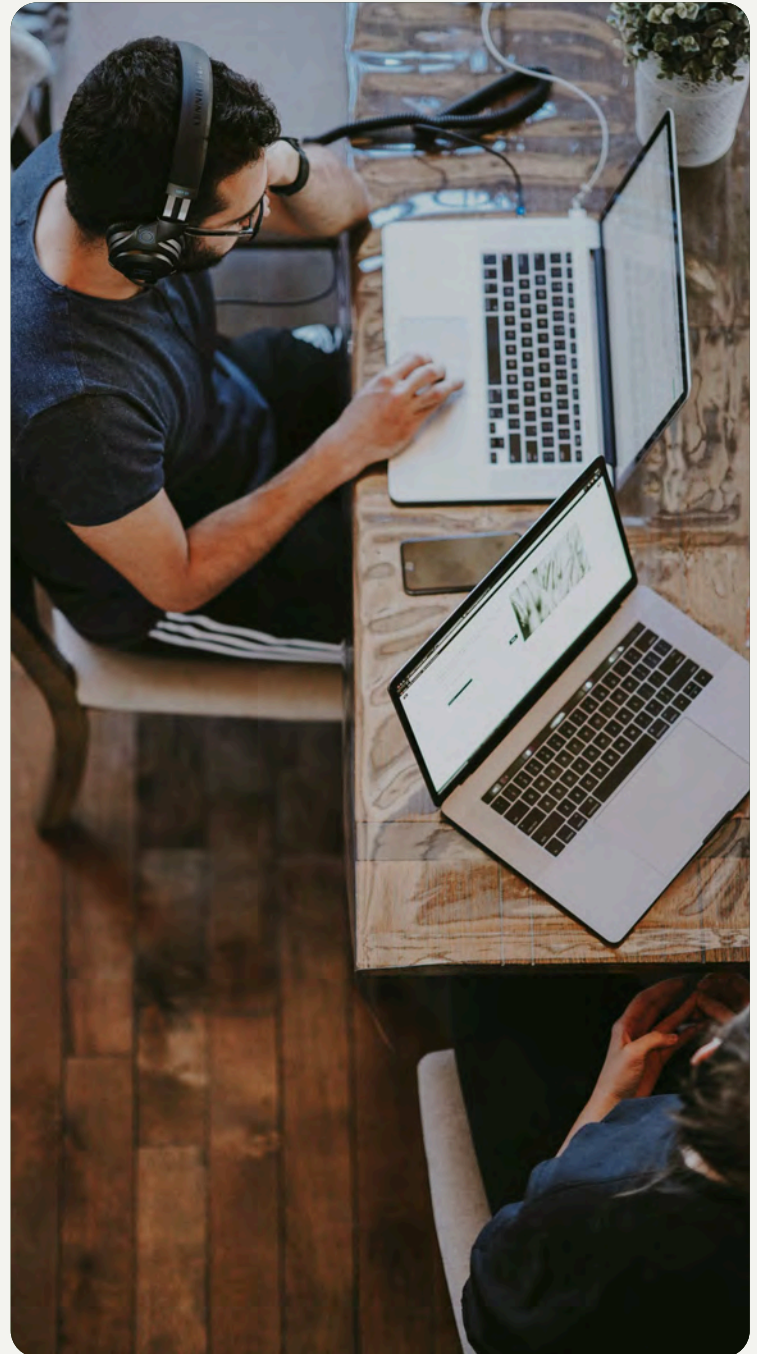
Running an e-commerce store is hard enough. Book a demo and let Kintsugi handle your sales tax.

Book a demo

How Kintsugi Makes Sales Tax a Non-Issue

Managing sales tax can be a nightmare for growing businesses, but it doesn't have to be. With Kintsugi's seamless automation, sales tax compliance becomes a non-issue, freeing you to focus on what matters most – scaling your business.

Let Kintsugi make your sales tax compliance convenient and stress-free.

1. Automated Calculations & Compliance Checks

Connect & Monitor

Register & Collect

Remit & File
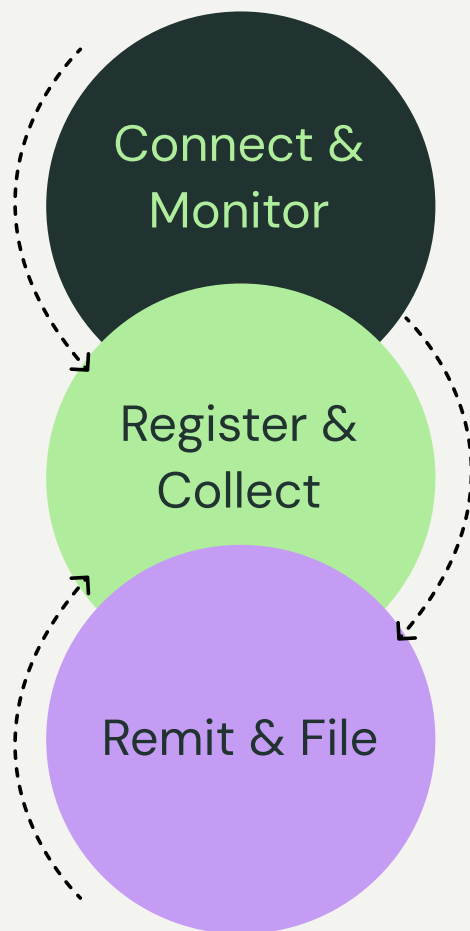
Kintsugi automates sales tax calculations, taking the guesswork out of the process. Its advanced algorithms handle real-time tax rate calculations based on the latest jurisdictional updates, ensuring every transaction is accurate and compliant.

This eliminates the risk of underpayment or overpayment, which can lead to costly penalties and disruptions. With compliance checks built into every step, Kintsugi proactively identifies discrepancies before they become issues, allowing businesses to maintain

flawless records with minimal effort. This hands-off approach saves time and ensures you're always audit-ready so you don't have to worry about changing tax laws.

Obvi, a company dedicated to keeping everybody young, optimistic, and energetic, is impressed by Kintsugi's error detection feature. Kintsugi detected past errors from a previous provider and helped them resolve the problem.

> "
>
> Love Kintsugi! Better than any other competitor out there! We actually transitioned from a popular competitor in the space, and Kintsugi actually found previous errors and wrong filings from this agency, and even helped us win back some of these accrued interest/penalties. 10/10 service.
>
> OBVI (from Shopify App Store)

ResBiotic, the #1 physician-recommended lung health probiotic supplement, is another happy and satisfied Kintsugi user. The Shopify merchant loved how Kintsugi helped and guided them with their sales tax obligations after hitting nexus.

> "
>
> Kintsugi is my absolute fave! When we suddenly hit nexus in multiple states at once, they made what felt super overwhelming actually manageable.... Every month, the platform analyzes our sales tax responsibilities, and with a click of one button, prepares to remit on our behalf. It's honestly magic. 10/10 (I've used them now in two companies I've founded/run). Now that I'm scaling (just launched in Walmart!!!!!!!), they're still the best partner around.
>
> Resbiotic (from Shopify App Store review)

2. Visual Nexus Tracking (Know Where You Owe)

Understanding where your business owes sales tax is crucial for compliance. Kintsugi simplifies this with free nexus monitoring. This feature provides a real-time map view of your economic nexus obligations across states so you always know where you need to file.


With one look at Kintsugi's Exposure Map, you will immediately know where states you are approaching nexus, where you are already exposed, registering, and already registered.

As your business expands, Kintsugi automatically continues to monitor your exposure. You will be alerted when you have nexus in new jurisdictions, ensuring you're aware of new obligations the moment you cross a threshold. This clarity helps you make informed decisions on where to grow, without fearing unexpected tax surprises. You'll always be ahead of compliance, preventing costly fines and missed filings.

3. Mail Monitoring + Real-Time Alerts

Staying on top of state and local tax communications can be a logistical headache—but not with Kintsugi. Kintsugi Mail is a virtual mailbox built for Kintsugi customers for sales tax compliance. It scans and digitizes critical tax notices, ensuring nothing important slips through the cracks. Paired with real-time alerts, you are immediately notified of any changes, deadlines, or action items that need your attention.

This proactive approach lets you promptly respond to notices, avoiding penalties and late fees. Kintsugi's system essentially acts as your tax watchdog, keeping you informed and compliant without the manual hassle.
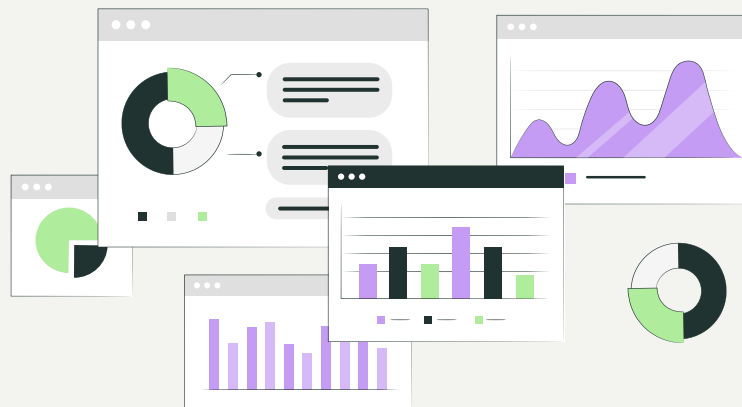
4. Smart, No-code Syncing

Kintsugi's no-code integrations support ERP, HR, and e-commerce platforms, including Amazon, BigCommerce, Stripe, Shopify, and more. Yes, Kintsugi integrates seamlessly with Shopify, eliminating the need for expert support or tedious manual adjustments.

With real-time syncing, your tax calculations automatically reflect every sale, return, and adjustment, ensuring complete accuracy. This means you won't have to reconcile discrepancies or update tax rates manually. Kintsugi does it all for you.

Whether running flash sales, offering discounts, or processing returns, your tax records remain perfectly in sync. This hands-off integration lets you focus on selling, while Kintsugi handles the tax intricacies in the background.

This is one of the features that Control Plane loves about Kintsugi, its seamless integration without the need for manual labor. Control Plane used another sales tax automation tool prior to Kintsugi, but it wasn't as flexible. So they were happy after switching to Kintsugi because now they can focus their efforts on growing their business.

> "
>
> The previous solution lacked flexibility, was expensive at scale, and required significant (regular) manual intervention to stay up to date with tax changes. It also didn't integrate very well with our platform, making the automation less valuable than we had hoped.
>
> Control Plane

With Kintsugi, Control Plane experiences:

> "
>
> Automated tax calculations and filings that reduce administrative overhead. Ease of integration with our existing payment and accounting platforms, we are a software company, we appreciate good software design.
>
> Control Plane

5. Transparent Flat-Rate Pricing

Unlike many sales tax solutions with hidden fees and complex pricing structures, Kintsugi offers transparent, flat-rate pricing. There are no surprise add-ons or inflated costs—what you see is what you pay. This straightforward model makes it easy to budget for tax automation without second-guessing your monthly expenses.

Kintsugi's commitment to clear, predictable pricing eliminates the frustration of surprise fees, allowing you to plan your finances confidently. This transparency is a game-changer for small to mid-sized businesses that need reliable, cost-effective tax management.

Kintsugi offers flexible pricing with no onboarding or implementation fees, no credit card required, and no annual commitments. Check out Kintsugi's pricing here.

PRICING

FREE	STARTER	PREMIUM
★	★★★	★★★★★
$0	$75	CUSTOM
Get started	Get started	Get started
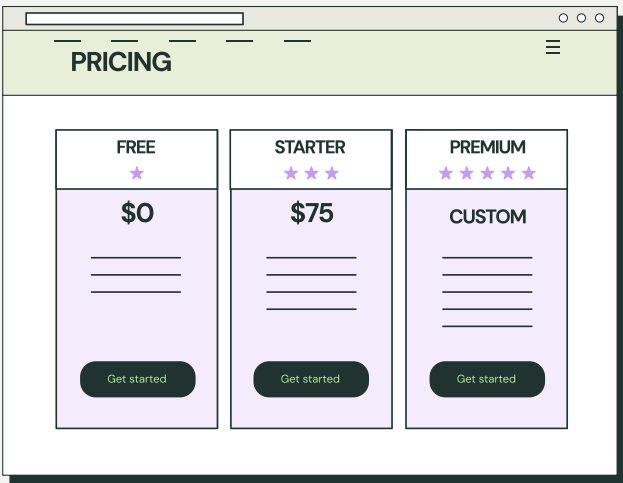
*Plans and pricing as of June 2025.

6. Onshore, Responsive Support That Understands E-commerce

When tax issues arise, timely and knowledgeable support is crucial. Kintsugi provides onshore, U.S.-based support staffed with experts who understand both e-commerce and the complexities of sales tax compliance.

You won't be routed through endless call centers or left waiting for hours—instead, you get quick, informed responses tailored to your business needs.

This responsive support ensures that your challenges are addressed swiftly, keeping your operations smooth and compliant. With Kintsugi, you're not just getting software—you're getting a dedicated team committed to your success. Kintsugi ensures that you are supported right when you need it and its customers can attest to that.

> "
>
> Phenomenal service and phenomenal customer support. Makes it super easy to handle sales tax and stay compliant.
>
> Archaneon Supplements (from Shopify App Store review)

> "
>
> Easy onboarding, great customer service and accurate filing.
>
> Driftless Goods (from Shopify App Store review)

> "
>
> After being completely overwhelmed at all the notifications we received about tax due in different states, I decided that we need help in this area and fast. I cannot say enough wonderful things about the customer service and ease of this process. They took my overwhelmed feelings about tax away and made the process easy. They are quick to respond and I can now focus on my business vs what tax I have due in certain states. I'm incredibly thankful I found them. My accountant actually researched and found them for me. I'm finally set free from wondering what's due and who needs our tax money. This app is a life saver.
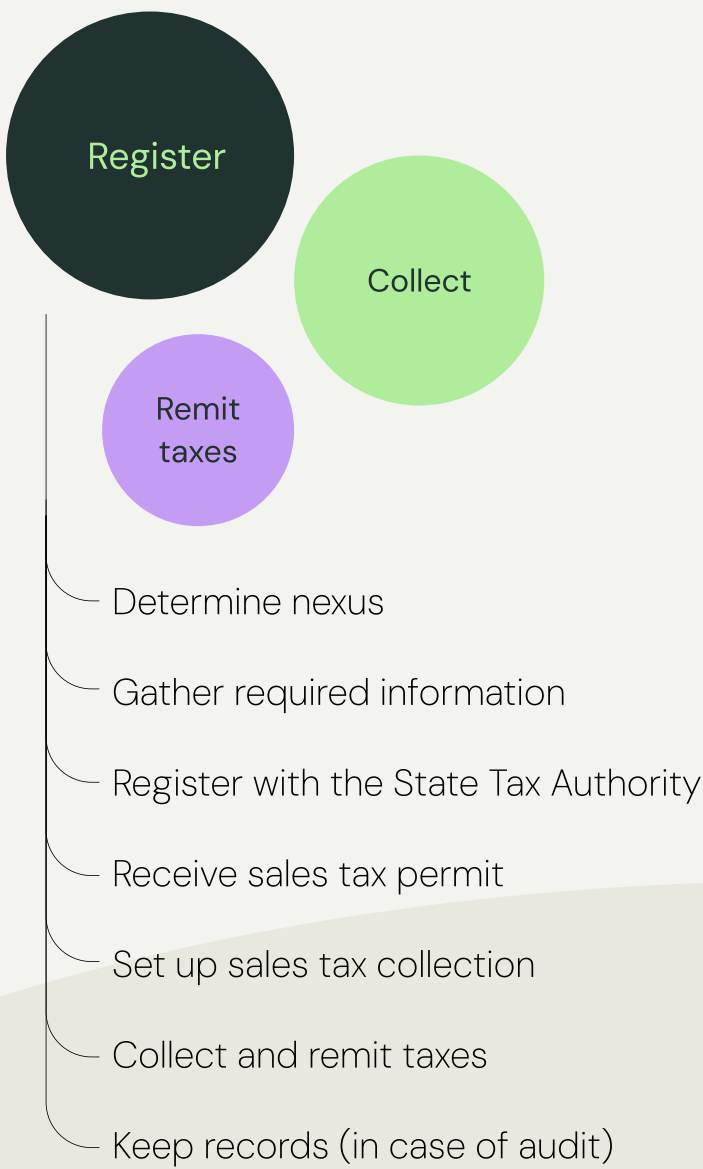>
> Barlow and Browning (from Shopify App Store review)

Conclusion: Build a Business, Not a Tax Headache

Sales tax compliance is complex, but it shouldn't hold your business back from scaling. With the right automation tools and a proactive strategy, you can reduce risk, eliminate costly errors, and focus on what truly matters—growing your brand.

At Kintsugi, we specialize in making compliance seamless so you can expand across channels and states without the stress. If you're still managing tax manually or unsure where you're exposed, we're here to help.

Talk to a product expert today—we'll show you exactly where your risk lies before the states do. It's time to turn tax compliance from a burden into a competitive advantage.

Register

Collect

Remit taxes

- Determine nexus
- Gather required information
- Register with the State Tax Authority
- Receive sales tax permit
- Set up sales tax collection
- Collect and remit taxes
- Keep records (in case of audit)

Survival Toolkit: What You Need to Get Compliant Today

To help you navigate the complexities of sales tax compliance, we've created a comprehensive Survival Toolkit that includes everything you need to get compliant today. This toolkit covers crucial steps such as **registering in new states, a detailed SKU and product classification worksheet, and a clear breakdown of common tax exemptions.**

Plus, you'll get access to a Sales Channel Compliance Chart to help you understand your obligations across platforms like Shopify, Amazon, and WooCommerce.

Understand the taxable and tax-exempt items

Familiarize yourself with what's taxable and tax-exempt because sales tax laws vary by state and product type, and applying the wrong tax can lead to non-compliance, penalties, or customer disputes. Knowing what is taxable or exempt ensures you're charging the correct amount, staying legally compliant, and maintaining customer trust.

For example:

Clothing & Apparel	States
Most clothing and footwear for daily use are tax-exempt.	Minnesota, New Jersey, and Pennsylvania
Clothing under $110 per item is tax-exempt, but anything above that is fully taxable.	New York
Clothing is taxed at the full rate, regardless of price.	Texas and California

Kintsugi

Categorize products using SKUs and product classification worksheet

A sales channel compliance chart helps e-commerce founders track where and how they collect sales tax across platforms like Shopify, Amazon, or Etsy, reducing the risk of missed obligations. It also provides a clear overview of audits and filings, making it easier to stay compliant across multiple sales channels.

Create a Sales Channel Compliance Chart

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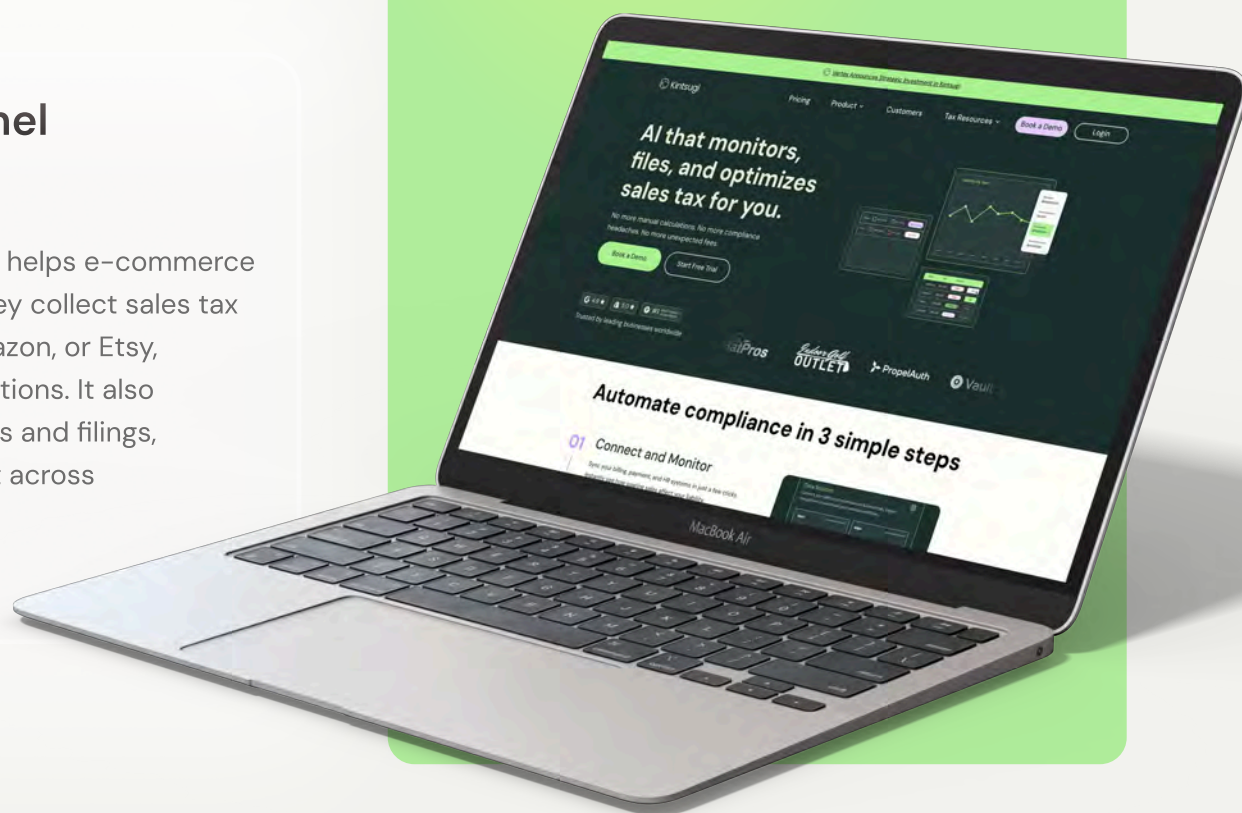
You've read the guide. Now let us show you what Kintsugi-level compliance looks like.

Book a demo

Feeling overwhelmed? Kintsugi simplifies sales tax so you can focus on what truly matters — growing your business.

The E-commerce Founder's Sales Tax Survival Guide

Stay Compliant and Scale without the Headache