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TAX GUIDE




US sales tax

High complexity

US sales tax for businesses based in India

How Indian software companies selling into the United States handle economic nexus, registration, collection and filing across states.

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AT A GLANCE

Your obligations

Regime	**US sales tax**
Based in	**India**
Selling into	**United States**
Registration threshold	**USD 100,000**
Threshold note	**Most states use USD 100,000 in annual sales; some use USD 500,000 or add a transaction test. See state-by-state rules below.**
Compliance complexity	**High**
Reverse charge	**Not applicable**

BY CUSTOMER

How tax applies to who you sell to

Businesses (B2B)	Sales tax can apply to business buyers in states where you have nexus. A valid exemption or resale certificate removes the tax, and whether software is taxable varies by state.
Consumers (B2C)	Collect sales tax from consumers in each state where you have nexus and your product is taxable, at the combined state and local rate.

Government (B2G)	Sales to government bodies are often exempt from sales tax with valid documentation. Exemption rules differ by state and by agency.

STEP BY STEP

What to do, in order

1 Assess nexus and exposure

Map where your US customers are and check each state's economic nexus thresholds against your sales.

HOW ANTEI HELPS

Monitors sales against nexus thresholds in every state.

2 Decide on your entity structure

Choose whether to sell from your home entity or open a US entity, weighing tax, banking and contracting needs.

HOW ANTEI HELPS

Models how each structure affects your obligations.

3 Register for sales tax permits

Register with each state where you have nexus before you start collecting tax.

HOW ANTEI HELPS

Tracks registrations, permit numbers and deadlines in one place.

4 Set up tax calculation

Configure product taxability, rates and exemption certificates for business buyers.

HOW ANTEI HELPS

Calculates the right rate for every transaction through its API.

5 Invoice and keep records

Issue invoices that show tax correctly and retain records for audit.

HOW ANTEI HELPS

Generates compliant invoices and stores records in Data Vault.

6 File returns and remit tax

File returns on each state's schedule and remit the tax you have collected.

HOW ANTEI HELPS

Prepares, files and remits returns on schedule.

7 Monitor and stay compliant

Track thresholds, rate changes and notices as your business grows.

HOW ANTEI HELPS

Alerts you to new obligations and manages notices.

CHECKLIST

Are you ready?

- [ ] Confirm where you have nexus or a registration obligation, and from which date.
- [ ] Register with each tax authority before you start charging tax.
- [ ] Set the right tax treatment for business, consumer and government customers.
- [ ] Show tax correctly on invoices and keep tax ID evidence for exempt sales.
- [ ] File returns and pay on time, at the frequency each authority sets.
- [ ] Assign owners for rule changes, notices and reconciliations.

Get this done with Antei

Antei monitors thresholds, registers, calculates, files and reconciles indirect tax across every market you sell into. Book a demo at antei.com.

This guide is general information, reviewed 20 October 2026. Rules change and depend on your facts, so confirm your position with Antei or your tax adviser before acting.