



2025 State of the Sales Tax Industry

What 29.7 Million Transactions Over 7 Months Reveal
About E-Commerce Tax Complexity



In this Guide

Executive Summary	3
Introduction	4
The Numbers Behind Modern E-commerce Tax Complexity	5
Multi-State Filing and Tax Liability Management	7
Why Managed Solutions Are Essential as Businesses Scale	9
Conclusion	12
About This Research	13

Executive Summary

The modern [e-commerce](#) tax landscape has become exponentially more complex than traditional compliance approaches can manage. Our comprehensive analysis of 29.7 million transactions processed over seven months in 2025 provides unprecedented insight into why businesses operating at scale need fundamentally different solutions.

Key Findings from Zamp's Proprietary Transaction Analysis

- **Industry Scale:** The current sales tax compliance landscape at [Zamp](#) spans 13,000+ jurisdictions across all 50 US states plus DC, 5 US territories, and 3 military postal codes—a complex reality confirmed through our analysis of 29.7 million transactions over 7 months, with 4.24 million transactions averaged monthly.
- **Financial Impact:** \$89.3 million in total tax liability over 7 months, with \$12.8 million averaged monthly. This amount of filing and total tax liability requiring thousands of filed returns demonstrates why automation alone isn't sufficient.
- **Geographic Complexity:** Sales across 50 US states plus DC, 5 US territories (AS, GU, MP, PR, VI), and military postal codes create compliance obligations that manual processes cannot manage.
- **Solution Requirement:** Only managed solutions combining technology with expert oversight can handle this level of operational complexity.



Introduction

Since the Supreme Court's 2018 decision in [South Dakota v. Wayfair](#), the sales tax compliance landscape has fundamentally transformed. Economic nexus thresholds have been added on top of the physical nexus requirements, creating compliance obligations that can trigger with as little as \$100,000 in sales or 200 transactions in a state.

For growing e-commerce businesses, this means navigating an increasingly complex web of multi-state tax obligations that span over 13,000 jurisdictions nationwide.

Our Research Dataset

This analysis examines proprietary transaction data processed through Zamp's managed compliance platform, providing unparalleled insight into real-world e-commerce tax compliance at enterprise scale:

- **Transaction Volume:** 29.7 million total transactions analyzed over a 7-month period in 2025
- **Monthly Average:** 4.24 million monthly averaged transactions requiring tax determinations (ranging from 3.68 million to 4.73 million monthly)
- **Revenue Scale:** \$2.5 billion in gross merchandise value (GMV) analyzed across 59 total jurisdictions
- **Geographic Reach:** Sales across 50 US states plus DC, 5 US territories, and military postal codes
- **Tax Liability:** \$89.3 million total over 7-month period (\$12.8 million average monthly)
- **Filing Complexity:** Filing requirements across multiple jurisdictions.

Why This Data Matters



Unlike theoretical analysis or survey data, these numbers show real-world e-commerce transaction data that shows exactly what modern sales tax compliance looks like when businesses scale beyond traditional approaches.

The findings reveal a stark reality: at enterprise scale, sales tax compliance has evolved into a specialized discipline requiring the same professional expertise as accounting, legal, or other critical business functions. The question isn't whether growing businesses need expert help—it's whether they're ready to partner with professionals who handle this complexity daily.

The Numbers Behind Modern E-commerce Tax Complexity

The sheer scale of modern e-commerce transaction processing creates compliance challenges that traditional approaches simply cannot handle. Our analysis reveals processing requirements that demand both technological automation and professional oversight to maintain accuracy and manage risk.

Transaction Volume Reality

Our dataset encompasses 29.7 million transactions processed over the 7-month analysis period, with individual months ranging from 3.68 million to 4.73 million transactions—a 22% seasonal fluctuation that adds significant complexity to compliance planning. This averages to 4.24 million transactions monthly, each requiring individual tax determinations based on ship-to address verification, product taxability assessment, and accurate rate calculation across multiple tax jurisdictions.

The complexity of each transaction extends far beyond simple rate lookup:

- Accurate tax rate determination based on ship-to address and product taxability
- Real-time calculation across state, county, city, and special district taxes
- Proper documentation for potential [audit](#) defense
- Integration with e-commerce platforms and accounting systems

At this transaction volume, precision becomes critical. Processing millions of monthly transactions means that small error rates can create compounding audit exposure across multiple jurisdictions, customer service issues from incorrect tax calculations, and administrative burdens that can overwhelm internal teams.

Geographic Distribution Insights

The geographic scope of modern e-commerce creates compliance obligations that span the entire United States and beyond. Our transaction data reveals sales activity across a complex web of jurisdictions, each with unique tax requirements that multiply the challenges of maintaining accurate compliance.

Our analysis shows sales across the complete spectrum of US tax jurisdictions:

- **50 US States plus DC:** Each with distinct economic nexus thresholds and filing requirements
- **5 US Territories:** American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and US Virgin Islands, each with specialized tax requirements
- **3 Military Postal Codes:** AA (Armed Forces Americas), AE (Armed Forces Europe/Africa/Canada/Middle East), and AP (Armed Forces Pacific)

From a compliance perspective, 47 states plus DC require active tax filings and remittances. [Economic nexus monitoring](#) involves threshold tracking across states with varying requirements—some triggering at \$100,000–\$500,000 in annual sales or 200+ transactions, with different measurement periods and registration timelines.

The complexity multiplies exponentially when considering local tax variations, as state, county, city, and special district taxes create thousands of unique rate combinations across the 13,000+ total jurisdictions nationwide. Boundary changes also happen frequently leading to additional rate changes.

Transaction distribution patterns significantly affect nexus threshold crossing. Multiple states are often reached simultaneously as businesses scale, making quarterly monitoring essential for compliance timing and requiring proactive management of registration requirements across diverse jurisdictions.

Average Order Value Impact

The financial scale of individual transactions creates additional complexity for compliance management. With an average sale value of \$84.06 across \$2.5 billion in analyzed GMV, every transaction creates meaningful tax liability that compounds across jurisdictions.

Higher average order values create several compliance implications:

- **Accelerated Nexus Exposure:** Fewer transactions required to trigger economic nexus obligations
- **Amplified Financial Exposure:** Larger liability exposure from tax calculation errors
- **Heightened Regulatory Scrutiny:** Substantial revenue volumes attract state authority scrutiny
- **Intensified Cash Flow Requirements:** Coordinating significant tax remittances across multiple jurisdictions

The \$2.5 billion in GMV demonstrates substantial economic nexus exposure, with seasonal order value fluctuations affecting quarterly and annual nexus calculations. This scale requires strategic tax planning that anticipates threshold crossing and manages compliance obligations proactively rather than reactively.

Multi-State Filing and Tax Liability Management

The administrative complexity of managing compliance across multiple states becomes apparent when examining actual filing data and tax liability distribution.

Filing Operations Across Multiple Jurisdictions

Our analysis tracked filing records across multiple states over a 7-month period in 2025, revealing the substantial administrative burden that grows exponentially with geographic expansion.

The data shows \$89.3 million in tax liability processed over 7 months, requiring coordination of payment schedules across 47 active filing jurisdictions. This multi-state operation involves managing different filing frequencies, deadlines, and documentation requirements simultaneously across multiple states and local jurisdictions, like Colorado, Louisiana, Alaska, and Idaho, which can be vastly different.

Top 10 States by Filing Volume

The distribution of filing activity reveals important patterns about modern e-commerce tax compliance. Filing volumes don't always correlate directly with [state economic size](#), indicating that compliance complexity depends on factors beyond simple market presence:

State	Total Filings
1. Georgia	1,713
2. Virginia	1,660
3. Illinois	1,587
4. California	1,288
5. North Carolina	1,214
6. Florida	1,184
7. Colorado	1,097
8. Ohio	1,061
9. Arizona	1,043
10. Texas	1,015

High-volume states like Georgia and Virginia require over 1,500 filings each across the analysis period, demonstrating the substantial administrative burden of maintaining compliance in major markets. The geographic diversity spans Southern, Midwest, and Western states, indicating that successful e-commerce requires nationwide compliance capabilities regardless of where a business is headquartered.

Tax Liability Distribution and Risk Management

Processing \$89.3 million in total tax liability over the 7-month analysis period requires sophisticated systems and expert oversight that manual approaches cannot reliably deliver. The average monthly liability of \$12.8 million across 47 active filing jurisdictions creates substantial financial exposure that demands professional accuracy and risk management.

Managing tax obligations across multiple jurisdictions simultaneously involves coordinating payment schedules with different state requirements, optimizing cash flow while maintaining compliance across varying remittance deadlines, and ensuring precise calculations to avoid both overpayment and underpayment scenarios. Each jurisdiction maintains different penalty structures, typically assessing penalties ranging from 10% to 25% of unpaid tax plus interest, making accuracy essential for financial protection.

High transaction volumes and substantial revenue create an elevated audit probability that requires professional mitigation strategies. At this scale, compliance failures can affect marketplace selling privileges and payment processor relationships, creating indirect costs that often exceed direct penalty amounts.

Why This Scale Demands Professional Management

The combination of multi-jurisdiction complexity, high-volume state requirements, and substantial financial exposure creates administrative challenges that exceed what traditional approaches can handle:

- **Operational Scaling Challenges:** Managing operations across multiple states with varying requirements creates exponential complexity. Different filing frequencies, deadlines, different (or various) filing forms and processes across jurisdictions and notices received from states, requires specialized knowledge and systematic coordination that general business staff cannot efficiently maintain.
- **Volume Capacity Limits:** States requiring over 1,500 filings need dedicated expertise for consistent compliance. A managed sales tax solution, like Zamp, combines innovative software with sales tax experts that can handle filings for each state, including managing forms, deadlines, and all processes needed.
- **Financial Exposure Management:** \$89.3 million in tax liability requires expert oversight to prevent costly errors and penalty exposure. Professional accuracy assurance, strategic planning, and audit defense capabilities become financial necessities rather than operational luxuries at this scale.
- **Multi-State Coordination:** Filing requirements spanning from high-volume states to smaller jurisdictions require comprehensive knowledge of diverse regulations, scalable processes for varying complexity levels, and professional oversight to ensure consistent accuracy across all jurisdictions.

Why Managed Solutions Are Essential as Businesses Scale

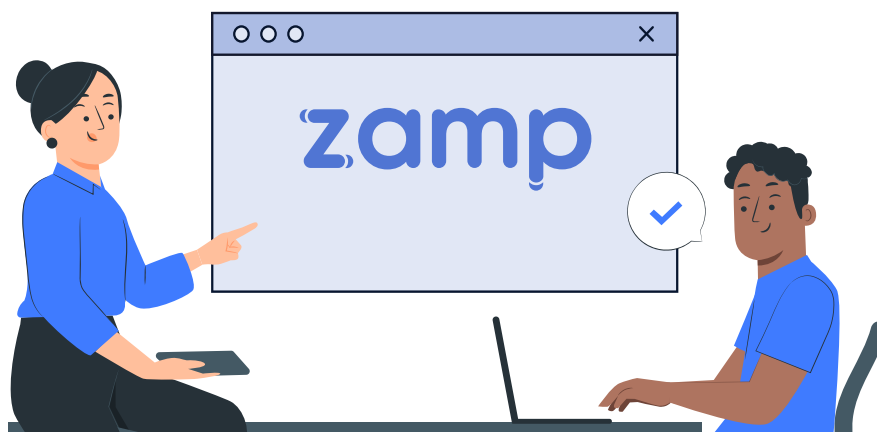
Our analysis reveals why traditional compliance approaches (software-only approaches that require businesses to learn, set up, configure, and monitor and update over time) consistently fail when businesses start managing sales tax in multiple states. Manual processes and software-only solutions cannot handle multi-jurisdictional complexity, and they rely on people who typically don't have the expertise or understanding of the various compliance requirements a business has.

What the Numbers Reveal About Solution Requirements

The combination of volume, complexity, and financial stakes creates requirements that demand professional expertise integrated with advanced technology.

The data demonstrates several critical requirements that only managed solutions can effectively address:

- **High-Volume Processing:** 29.7 million total transactions (averaging 4.24 million monthly) require technological processing capability that eliminates human bottlenecks while maintaining accuracy across varying seasonal loads.
- **Seasonal Flexibility:** 22% variation between peak and low months requires scalable solutions that maintain consistent accuracy across fluctuating transaction volumes without service degradation.
- **Expert Oversight:** 59 total jurisdictions (50 states + DC + 5 territories + 3 military codes) with unique rules need human interpretation and oversight for complex decisions that software cannot reliably make.
- **Liability Protection:** \$12.8 million average monthly liability across 47 active filing jurisdictions requires expert audit defense capability and professional accountability for compliance accuracy.



Technology Requirements

Modern e-commerce tax compliance requires sophisticated technology infrastructure that can handle millions of transactions while maintaining precision across thousands of jurisdictional combinations:

- **Real-Time Tax Calculations:** Instant accurate determinations for millions of transactions
- **Automated Rate Updates:** Continuous monitoring and updating across 13,000+ jurisdictions
- **Integration Capabilities:** Seamless connection with e-commerce platforms and accounting systems
- **Audit-Ready Documentation:** Automated creation of filing materials and comprehensive audit support records

While technology provides essential automation for volume processing, our analysis demonstrates that software alone cannot address the full spectrum of compliance requirements at enterprise scale.

Expert Oversight Necessity

Professional expertise remains critical for handling complex decisions and strategic requirements that technology cannot provide. The scale revealed in our analysis demonstrates specific areas where human judgment becomes essential:

- **Complex Product Taxability:** Professional interpretation of state-specific taxability rules for diverse product catalogs, bundled products, digital goods, and items that cross multiple tax categories requires expertise that software cannot reliably provide.
- **Multi-State Strategy:** Long-term compliance planning that anticipates business growth, market expansion, and regulatory changes requires professional guidance that aligns compliance approaches with business objectives.
- **Regulatory Monitoring:** Continuous tracking of law changes across all active jurisdictions, professional interpretation of regulatory updates, and proactive adaptation to changing requirements demands expertise that general business staff cannot maintain.



The Zamp Advantage

Zamp has successfully processed the exact transaction volumes and complexity detailed in this analysis, demonstrating proven capability as businesses scale:

- **High-Volume Expertise:** Successfully handling 29.7 million transactions over 7 months with significant seasonal variation, maintaining accuracy across geographic complexity spanning 59 total jurisdictions, including specialized territories and military postal codes.
- **Financial Risk Coverage:** Expert management of \$89.3 million in total tax liability (\$12.8 million average monthly) across 47 active filing jurisdictions with complete audit protection and professional accountability.
- **Technology + Human Intelligence:** Technology-powered accuracy combined with expert human oversight for complex decisions, providing end-to-end solutions that cover everything from initial tax determination through final audit resolution.
- **Seamless Integrations:** Direct connections with leading [e-commerce platforms](#), ERPs, and accounting systems that eliminate manual data entry and reduce error risk, enabling real-time tax calculations that scale with transaction volume while maintaining operational efficiency and compliance accuracy across all business systems.
- **Reliable Customer Support:** Dedicated support team providing immediate assistance for urgent compliance issues, experts available for complex tax questions, proactive communication about regulatory changes affecting your business, and direct access to tax professionals who understand your specific compliance requirements.
- **Growth-Enabling Service:** Handling compliance complexity so clients can concentrate on growth rather than administrative burden, enabling businesses to focus resources on revenue-generating activities while maintaining complete confidence in compliance accuracy.

It's Too Much. Can You Take Charging Sales Tax Off My Plate?

Yes! Zamp handles that.

Zamp's state-of-the-art sales tax engine ensures that you collect the right amount of sales tax from every customer, every time. No more trying to determine in which taxing district your customer is really located. No more keeping up with rates in more than 13,000 taxing jurisdictions.

Collect Sales Tax for Me

Conclusion

Our analysis of 29.7 million transactions over seven months reveals a fundamental transformation in what sales tax compliance requires. The combination of transaction volume, jurisdictional complexity, and financial stakes has evolved beyond what traditional approaches can effectively manage.

Key Insights from Our Analysis

Processing millions of monthly transactions across 59 jurisdictions spanning 13,000+ local tax authorities exceeds traditional compliance capabilities. The 22% seasonal fluctuation between peak and low months adds complexity that requires scalable solutions, maintaining consistent accuracy across varying processing loads. Manual processes and fixed internal resources cannot efficiently adapt to these demands while ensuring compliance quality.

Geographic complexity multiplies risk exponentially. Sales across jurisdictions, including specialized territories and military postal codes, create compliance obligations that require expertise that general business staff cannot reasonably maintain. The financial stakes are substantial—\$89.3 million in total tax liability over 7 months demands professional accuracy and oversight, as even minor compliance errors can result in penalties exceeding the cost of professional management.

Strategic Implications

The data reveals several critical realities for businesses operating at enterprise scale:

- **Technology Integration is Essential:** While automation is critical for processing millions of transactions, software alone cannot provide the human expertise needed for complex product taxability decisions, jurisdictional edge cases, and audit defense requirements.
- **Manual Processes Cannot Scale:** Internal teams cannot reliably manage the administrative burden that grows exponentially with each new jurisdiction and transaction volume increase, creating impossible resource requirements and unacceptable error risks.
- **Professional Management Becomes a Necessity:** At the scale revealed in our analysis, tax compliance becomes a specialized discipline requiring dedicated professional expertise, just as businesses rely on professional accountants for financial management and legal counsel for contract matters.
- **Complete Solutions Eliminate Compliance Gaps:** Partial approaches that address only portions of compliance requirements create dangerous gaps. End-to-end solutions covering determination through audit resolution with single-source accountability are essential for risk management.

The Managed Solution Imperative

Modern e-commerce success requires focusing on core business activities rather than compliance administration. Our data shows that, on a significant scale—millions of monthly transactions across dozens of states—only managed solutions that combine technology with expertise can deliver the accuracy and risk protection that growing businesses need.

You don't have to learn this complexity. You need a partner who has already mastered it.

At [Zamp](#), we've proven our ability to handle the exact challenges detailed in this analysis: processing 29.7 million transactions over 7 months with significant seasonal variation, managing compliance across 59 total jurisdictions including US territories and military postal codes, handling \$89.3 million in total tax liability (\$12.8 million average monthly) across 47 active filing jurisdictions—all while maintaining accuracy and providing complete audit protection.

The numbers reveal a clear reality: sales tax compliance has evolved and will continue to evolve beyond traditional approaches. The question isn't whether you need professional help—it's whether you're ready to partner with experts who handle this complexity every day so you can focus on what matters most: growing your business.



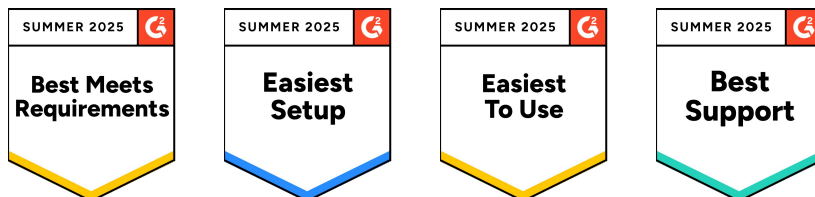
About This Research

This white paper analyzes proprietary transaction data processed through Zamp's managed compliance platform over a 7-month period in 2025. The dataset includes 29.7 million transactions, averaging 4.24 million monthly, representing real-world e-commerce compliance challenges faced by businesses operating at a significant scale across multiple jurisdictions.

All statistics and insights derive from actual client transaction processing, demonstrating the practical realities of modern sales tax compliance rather than theoretical projections or survey responses. This data represents current market conditions in the post-Wayfair compliance landscape, where economic nexus thresholds create multi-state obligations for growing e-commerce businesses.

About Zamp

Zamp is an award-winning sales tax solution that truly removes the burden from growing e-commerce and SaaS business with our managed solution that combines software and tax expertise. Our full-service platform offers everything you need to stay sales tax compliant.



Get Help for Your Company

We'll answer your sales tax questions & address any of your concerns, so you never have to worry about sales tax again

[Book a Call](#)

- 1 Book a 30-minute call
- 2 Meet with a sales tax expert
- 3 Sales tax off your plate



Zamp is the all-in-one sales tax
solution for multichannel businesses

We take sales tax off your plate!

Find out more at zamp.com