What are home rule states?
Answer

When it comes to sales tax, a "home rule state" is a state with self-administered local taxing authorities (cities, counties, or special tax jurisdictions) that collect and administer sales or use tax independently from the state department of revenue.

In the following states, home rule jurisdictions can establish their own sales and use tax rates and certain taxability rules:

- Alabama (while not formally a home rule state, certain city and county government bodies collect local taxes)
- Alaska (Alaska doesn't have a state sales tax, but local jurisdictions impose taxes)
- Arizona (local jurisdictions are administered by the state, except for local tribal governments)
- Colorado
- Idaho
- Louisiana

Self-administered jurisdictions within these states may require separate returns.

Home rule authority varies by state, by jurisdiction, and by the limits imposed by that state's constitution. For information regarding state government autonomy in matters unrelated to sales tax, refer to your state's governing documents.

Learn more about sales tax compliance at Avalara University or Review where you collect and pay tax for home rule states or other jurisdictions

https://help.avalara.com/Frequently_Asked_Questions/Product_and_Service_Taxability_FAQ/What_are_home_rule_states%3F
Updated: Sat, 18 Jul 2020 15:14:09 GMT
Copyright © 2018 Avalara, Inc. All rights reserved. Powered by

2