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The MAIL Group Scores Tax Nexus Victory in Indiana Indiana Dept of Revenue Rules Catalog-Request Fulfillment Does Not Constitute Nexus for TMG Clients

Lafayette, IN, December 24, 2013 — The MAIL Group celebrates the recent decision that Indiana will now serve as a tax nexus safe haven for catalogers. Amidst the contentious battle in Washington over a federal internet sales tax collection bill comes a refreshing local success story in Indiana. Responding to the tax nexus concerns of both clients and prospects, the catalog-request fulfillment service provider, The MAIL Group, reached out to Indiana Senator Brandt Hershman and the Indiana Department of Revenue. After detailed communication defining the services, Indiana made a favorable ruling regarding income and sales tax nexus.

The state ruled The MAIL Group's catalog clients "lack the physical presence required to find that they have substantial nexus in Indiana." As a result, the state ruled that catalogers are not required to collect and remit sales tax on their transactions sourced to Indiana "absent more of a physical presence in the state."

It's a sweet victory for both the Lafayette, IN-based MAIL Group and the catalog industry. "This industry has been under financial strain due to ever increasing postal rates and threats from various governmental taxing authorities," said TMG COO, Ron Welton. He noted that some of their catalog clients had actually pulled their catalogs out of Indiana due to the tax nexus threat, but now expects them to return.

A member of catalog advocacy organization, American Catalog Mailers Association, The MAIL Group fulfills daily catalog requests from over 200 clients. In so doing, TMG receives a bulk shipment of catalogs, receives a daily electronic file of requested catalogs, and mails a free catalog to requesters nationwide. The interpretation of tax regulations in Indiana, as in many states, made it difficult to determine if a taxing event could be triggered by merely having free catalogs stored and mailed in the state.

Founder and CEO of The MAIL Group, Ron Robbins, stated that the outcome of the case tells a pleasant story in which government and business worked well together and reached a win-win situation, preserving The MAIL Group's business model, while potentially bringing greater employment and revenue into the Indiana economy.

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