



**US is not the risk for Indian exporters.
Not knowing your GST position is.**

Why growth into America is creating a compliance blind spot for CFOs

US Growth: Priced vs. unpriced risk

Indian exporters are not considering whether to enter the US market. Most already have. The question facing finance leaders now is whether growth there is being matched by an equal amount of attention to what that growth actually obligates them to do, because two very different kinds of exposure sit inside every dollar of US revenue, and only one of them is within a CFO's control.

That has already committed the US market.

US\$87.31 billion

India's exports to the United States, FY2025 to 26

US\$500 billion

Bilateral trade target both governments have set for 2030

45

Separate US jurisdictions where sales tax registration can be triggered

The United States is India's largest single export destination, and both governments have publicly committed to more than doubling trade by the end of the decade. For a Delhi exporter, it is not a market to test cautiously. The commercial case for being there was settled some time ago.

What has not settled is the compliance picture underneath that growth, and that picture has two entirely separate parts that get talked about as though they were one.



Two obligations, moving on two different timelines

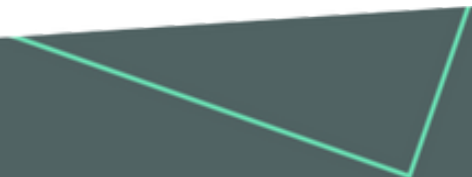
Tariffs sit at the border, set by government, and the rate has moved repeatedly through 2026. A bilateral deal in February brought the reciprocal rate down to 18%, before the Supreme Court struck down the mechanism behind it weeks later and a replacement 10% surcharge took its place.

Separate sector-specific tariffs of 50% on steel and aluminium continue regardless of the headline rate, and estimates of India's effective tariff burden into the US now range from around 10% to over 50% depending on the product category and mechanism counted.

Alongside the tariff changes, the \$800 de minimis exemption that once let low value shipments enter the US duty free was suspended in August 2025. Every shipment, regardless of value, now carries applicable duties and clearance requirements that previously applied only above that threshold.

US sales tax operates on an entirely separate basis. It is owed directly by the exporter, determined independently by each US state rather than by federal policy and unaffected by changes in tariff rates, de minimis rules or trade agreements.

Of the two obligations, it is the only one that remains constant regardless of the wider trade environment.



Sales tax in the US:

45 separate answers to one question

\$100,000

Typical annual sales threshold that triggers registration in most states

41

States where that \$100,000 figure is the only or primary trigger

0

Single national sales tax system covering all of it

The US has no VAT and no federal sales tax. Since the Supreme Court's 2018 Wayfair ruling, every state sets its own threshold at which an out-of-state seller must register, collect and remit tax there, regardless of physical presence. Most land on \$100,000 in annual sales. A few, including California, Texas and New York, sit considerably higher, and some layer a transaction count test on top of the revenue figure. There is no combined threshold comparable to the EU model. A Delhi exporter selling nationally is managing as many separate thresholds as states it sells into, each on its own clock.

This is where Tax Desk's US Sales Tax service sits: providing registration, filing and ongoing threshold monitoring across every state where nexus is triggered, keeping your submissions current as individual states change their own rules through the year.

Shipping direct or holding US stock changes the tax answer, not just the logistics one

Model	Fixed cost	Delivery speed	Sales tax position
Direct shipping from Delhi	Low	Slower	Nexus builds gradually, state by state, as revenue accumulates
US fulfilment centre (e.g. Amazon FBA)	Higher	Faster	Marketplace may collect in some states, registration can still be required in others and inventory location alone can create nexus

Growing volume usually forces a choice between shipping each order from within India or holding stock in a US fulfilment centre for faster delivery. That choice is treated as a logistics decision. It is a tax decision too. Marketplace facilitator laws mean Amazon or a similar platform often collects tax on a seller's behalf, which gets taken as full cover.

It isn't.

Several states still require the underlying seller to register even where the marketplace collects, and simply storing inventory in a state can trigger nexus there before a single sale is recorded.

Where the tariff conversation and the tax conversation get conflated

- Two things happen in the same conversation and shouldn't. A change in the tariff rate gets treated as a change in the underlying tax position, when the two move on entirely separate tracks and one has no bearing on the other. A single national revenue figure gets tested against a mental image of one threshold, when the real picture is 45 separate state thresholds, each capable of being crossed on its own.
- Marketplace collection gets assumed to be blanket coverage, when it applies state by state and inventory location can create an obligation the marketplace was never collecting for. A fulfilment model gets chosen for cost and speed alone, with the tax consequence discovered later rather than built into the decision. And a registration, once filed, gets treated as permanent, when several states removed transaction count tests entirely within the past year, meaning a position that was correct at entry can drift out of compliance without anyone reviewing it again.

An Indian brand that scaled through this correctly

Vahdam India, a New Delhi tea brand, built its US presence through Amazon's global selling programme and grew into one of the fastest expanding tea brands on Amazon across both the US and Europe, a product of Indian origin positioned for a premium international audience. Growth of that kind brings the compliance question with it at the same pace, whether or not it has been planned for.

Before the next order ships to the US

- ✓ Use the Tax Desk Nexus Checker to plot projected US revenue state by state against each state's actual threshold, not against a single national figure.
- ✓ Identify which states your fulfilment model already creates nexus in through inventory location alone, separate from sales volume.
- ✓ Verify what your marketplace's facilitator collection covers, rather than assuming it covers everywhere you sell or store stock.
- ✓ Put thresholds and rates on a quarterly review rather than a one-time check, since individual states change their own rules through the year.
- ✓ Keep the tariff conversation and the tax conversation separate internally, so movement in one is never read as movement in the other.
- ✓ Speak to the Tax Desk team about automating your US Sales tax registrations, returns and payments.

-  Tax Desk provides US Sales Tax compliance for businesses expanding into the United States, covering registration, filing and ongoing threshold monitoring across the states where economic nexus applies.
-  For Indian exporters considering how this applies to their company, please speak to the Tax Desk team.



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This report has been prepared by Tax Desk for general information purposes and does not constitute tax or legal advice. Market data is drawn from publicly available third party research and should be independently verified, tariff figures especially, given how many times the rate has moved through 2026. Tax Desk recommends a specific compliance review before making registration or filing decisions.