



COUNTRY BRIEFING · UNITED STATES

No mandate. Plenty of compliance

Global groups rolling out e-invoicing often ask whether their US subsidiaries are next. They are not — there is no federal or state B2B mandate. But the US is compliance-heavy in other ways, and two changes land this autumn: states rewriting sales-tax nexus, and the IRS closing the platform most companies still use to file 1099s.

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For
Group CFOs, US controllers

Scope
E-invoicing, sales tax, 1099s

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Prepared by
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Information document, not tax or legal advice. State sales-tax rules change frequently and vary by state. Confirm the position for your entities with the IRS, the relevant state departments of revenue or your tax adviser before acting on anything in this briefing.

01 The short answer, and the better question

E-invoicing is optional. Compliance is not

There is no federal requirement for businesses to exchange structured e-invoices, and no state has introduced one. Adoption is voluntary and driven by the market — and, increasingly, by mandates abroad that US subsidiaries of global groups encounter through their parent. So the answer to "does e-invoicing apply to our US entity?" is no. The better question is what does.

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Federal or state B2B e-invoicing mandates in force

45 + DC

States levying a statewide sales tax, each with its own nexus and filing rules

\$2,000

New 1099-NEC and 1099-MISC reporting threshold, for payments made in 2026

19 Nov 2026

Last day to file through the IRS's FIRE system — IRIS only from 2027

What actually applies to a US subsidiary

OBLIGATION	WHAT IT INVOLVES	STATUS
B2B e-invoicing	Voluntary; a national exchange framework exists but is not mandated	VOLUNTARY
Federal B2G invoicing	Electronic invoicing to federal agencies through government platforms	REQUIRED
Sales and use tax	Nexus, registration, collection, filing and exemption certificates in every state where thresholds are met	REQUIRED
1099 information reporting	Reporting payments to contractors and others, filed electronically above ten returns	REQUIRED
Foreign mandates	Your US entity's invoices to customers in mandated countries may need to comply with their rules	DEPENDS

Why the question keeps coming up

- ◀ **Group programmes are global.** When a parent standardises e-invoicing across Europe or Latin America, the US entity is often assumed to be next.
- ◀ **Customers abroad impose it.** A US entity invoicing a Belgian or Polish customer may be asked to deliver through that country's channel.
- ◀ **It is the wrong risk to focus on.** The exposure in the US sits in sales tax, which is local, changing and assessed retrospectively.

THE QUESTION TO ASK THIS MONTH

"In how many states do we have economic nexus today — and are we registered in all of them?" The answer changed for some companies this year without their sales changing at all.

PUERTO RICO IS ITS OWN CASE

Puerto Rico has no general e-invoicing mandate either, but it levies its own sales and use tax, with a reduced rate on business-to-business and designated professional services, monthly returns and fiscal terminals at the point of sale for larger merchants. **Groups with Puerto Rican operations should treat it as a separate jurisdiction**, not as a US state.

02 Voluntary e-invoicing

A framework without a mandate

The United States has a national e-invoice exchange framework, the DBNAlliance, developed through the Business Payments Coalition with the Federal Reserve in an advisory role. It uses a four-corner model similar to Peppol: each business connects through an accredited provider, and invoices are exchanged in a standard format over the network. It became operational around the end of 2023.

ELEMENT	POSITION
Model	Four corners — supplier, supplier's provider, buyer's provider, buyer
Format and transport	A UBL-based format, exchanged over standard secure protocols
Participants	A growing group including several large corporates, particularly in energy and technology
Adoption	Described by the framework itself as fragmented; no reliable adoption figures are published
Mandate	None, and none announced

When voluntary e-invoicing is still worth doing

GOOD REASONS

- High invoice volumes with a few large customers or suppliers
- AP automation goals that paper and PDF block
- A group design that can reuse the same framework

WEAK REASONS

- Fear of an imminent mandate — none is on the horizon
- Parity with European entities for its own sake
- A vendor's claim that one is coming

What adopting it would actually require

ELEMENT	WORK INVOLVED
A provider	An accredited access point connected to the ERP
Trading partners	Customers and suppliers willing and able to exchange — the real constraint
Master data	Network identifiers for each participating partner
Inbound processing	Structured supplier invoices matched and posted automatically

The foreign-mandate pull

More relevant for many US entities is what their customers abroad require. A US subsidiary invoicing customers in Belgium, Poland, Italy or — soon — the UAE may find those customers expecting invoices through their national channel. **That is a question of where the customer is, not where you are**, and it is best answered by the same group compliance design your parent is already building.

PAYMENTS ARE MOVING, INVOICES LESS SO

An executive order moved federal payments, including to vendors, to electronic-only methods from late 2025. It concerns how the government pays, not how invoices are exchanged — but it is a sign of the direction of travel for payments, where US modernisation is moving faster than for invoicing.

03 Invoicing the federal government

The one place electronic invoicing is required

Since a 2015 federal memorandum, agencies have been required to move to electronic invoicing, through shared government platforms or approved solutions. For suppliers, that means specific portals — and for defence contractors, a contract clause that makes the electronic route compulsory.

PLATFORM	USED FOR	CONNECTION OPTIONS
Invoice Processing Platform	Invoicing civilian federal agencies that use Treasury's platform; free for agencies and suppliers	Web entry or file exchange, including from ERP systems
WAWF, through PIEE	Payment requests to the Department of Defense, required by contract clause	EDI, secure file transfer or web entry
G-Invoicing	Transactions between federal agencies only — not relevant to private suppliers	—

What good looks like for a federal supplier

- ◀ Invoices generated from the ERP and sent electronically, not keyed into a portal by hand for every contract.
- ◀ Contract and order references carried through, so invoices match the government's obligations and are not returned.
- ◀ Status visible in AR, because federal payment timing depends on acceptance in the platform.

Where federal invoicing goes wrong

PROBLEM	CONSEQUENCE
Manual portal entry	Errors, delays and a process that depends on one person
Missing contract data	Invoices rejected or held, and payment delayed
No status feedback	Receivables ageing without anyone knowing why

FEDERAL SUPPLIER CHECKLIST

- Registration and access to the relevant platforms
- Invoices sent from SAP, not keyed
- Contract and order data held in SAP
- Platform status returned to AR

STATE AND LOCAL GOVERNMENTS ARE DIFFERENT

Individual states and cities run their own supplier portals and invoicing requirements, some of them electronic. These are procurement conditions rather than tax mandates — but for suppliers to the public sector they can matter as much as the federal ones.

A NOTE ON PROCUREMENT REFORM

The federal acquisition regulations are being overhauled during 2025–26, which may renumber invoicing clauses. We are not aware of a change to the substance of electronic invoicing requirements, but contract templates should be checked as the new text is published.

04 Sales and use tax after Wayfair

Local, changing, and assessed after the fact

Since the Supreme Court's 2018 Wayfair decision, states can require remote sellers to collect sales tax based on economic activity alone. Every state with a sales tax now has an economic nexus rule and a marketplace facilitator rule — and the rules keep moving, usually in the direction of catching more sellers.

TREND	WHAT IS HAPPENING
Transaction counts dropped	Seventeen states have removed the "200 transactions" test, most recently Illinois (January 2026) and Kentucky (August 2026); nexus now rests on sales value alone
Services brought into scope	Maryland taxes data, IT and software services since July 2025; Washington taxed several services from October 2025, with most repealed from 2029
Retail delivery fees	Per-order fees in Colorado and Minnesota, with others considering them
Simplification, partially	Twenty-four states follow the Streamlined Sales Tax agreement, with certified service providers
Administration	More states mandating electronic filing and payment

Why this is where the exposure sits

- ◀ **Nexus can change without your business changing.** A state dropping its transaction test can create an obligation for a seller whose sales there were already above the value threshold.
- ◀ **Liability is retrospective.** Tax not collected from customers is still owed, usually with interest and penalties, often discovered years later.
- ◀ **Exemptions need evidence.** A sale treated as exempt without a valid certificate on file is, in an audit, a taxable sale.
- ◀ **Services are the new frontier.** Software, IT and digital services are where states are expanding the base.

How economic nexus is tested

TEST	HOW IT TYPICALLY WORKS
Sales value	Sales into the state above a threshold — commonly \$100,000 — over a defined period
Transaction count	Where it still exists, a number of separate sales; increasingly removed
Measurement period	Current or previous calendar year, or a rolling period, depending on the state
What counts	Gross, taxable or retail sales — the definition differs, and changes the answer
Marketplace sales	Often collected by the marketplace, but may still count towards your threshold

REVIEW NEXUS ANNUALLY, NOT ONCE

Many groups did a nexus study after Wayfair and have not repeated it. **The thresholds, the transaction tests and the taxable base have all changed since**, and a study that was right in 2019 may be materially wrong in 2026.

What an annual nexus review should cover

- Sales by state against each state's current test
- Registrations, filings and certificates by state
- New taxable services in your portfolio
- Marketplace sales and their treatment

05 1099s: new thresholds, new platform

The change with a deadline this autumn

Information reporting on payments to contractors and others is the US obligation closest to accounts payable, and 2026 changes it twice: the reporting threshold rises for the first time in decades, and the platform most companies file through is being switched off.

CHANGE	WHAT IT MEANS	EFFECTIVE
1099-NEC and MISC threshold	Rises from \$600 to \$2,000, indexed for inflation from 2027. Royalties remain at \$10	Payments in 2026
1099-K threshold	Reverts to more than \$20,000 and more than 200 transactions; the planned drop is cancelled	Retroactive
E-filing threshold	Ten or more information returns in total must be filed electronically	Since 2024
FIRE shuts down	The last day to file through the legacy system is 19 November 2026	19 November 2026
IRIS only	From 1 January 2027 the IRS's newer system is the only e-filing channel — so returns for tax year 2026 go through it	1 January 2027

What the platform switch means in practice

- ◀ **Your filing route changes.** Whatever produced the FIRE file — SAP, a vendor tool or a service provider — must now produce for, or connect to, IRIS.
- ◀ **The first IRIS filing season is early 2027**, for 2026 payments. Testing belongs in the fourth quarter of 2026, not in January.
- ◀ **Transmitter credentials are separate.** Access to IRIS requires its own application and identifiers, which take time to obtain.

What the threshold change means

- Fewer recipients to report for 2026 payments
- Indexing means the threshold will move again each year
- Vendor master flags and thresholds must be updated
- Backup-withholding changes are still at proposal stage

IRIS readiness checklist

ITEM	WHAT TO CONFIRM
Filing route	Whether you file directly or through a provider, and that it supports IRIS
Credentials	The identifiers and access IRIS requires, applied for in time
Data	Vendor tax identifiers, names and addresses validated before year-end
Test	A test submission completed in the fourth quarter

DO THIS BEFORE NOVEMBER

Confirm how your 1099s will reach IRIS, obtain any credentials needed, and run a test. **Discovering in January that the file format or the connection does not exist** leaves weeks, not months, to fix it.

06 What it means for your SAP system

Tax engines, vendor data and filing files

In the US, the compliance centre of gravity in an SAP landscape is not an e-document framework but the integration with a sales-tax calculation engine, the withholding and vendor data behind 1099s, and — for federal suppliers — the invoice output to government platforms. **SAP Document and Reporting Compliance** becomes relevant where US entities invoice customers in mandated countries abroad.

AREA	WHAT "GOOD" MEANS
Sales-tax determination	Every taxable document calculated by the tax engine with correct ship-to, product taxability and exemption status
Exemption certificates	Certificates held, valid and linked to the customer, including multi-point-of-use cases
Nexus changes	New registrations reflected quickly in the engine and in filing
1099 data	Vendor tax identifiers and reportable flags correct; thresholds updated for 2026
1099 filing	A tested route to IRIS before the 2027 season
Federal invoicing	Invoices generated and transmitted to government platforms from SAP
Foreign customers	Invoices to mandated countries routed through the group's compliance design

Where US landscapes are usually weakest

- Tax-engine configuration not revisited since go-live
- Exemption certificates held outside SAP, unlinked
- Product taxability mapped years ago
- 1099 data corrected by hand each January
- Federal invoices keyed into portals
- US entities absent from the group compliance map

Five questions for whoever supports your system

- ◀ How are 1099s produced today, and how will they reach IRIS?
- ◀ Were vendor reporting thresholds updated for 2026 payments?
- ◀ When was the tax engine's nexus configuration last reviewed against current state rules?
- ◀ What share of exempt sales have a valid certificate on file?
- ◀ Do any US entities invoice customers in mandated countries, and how?

WHERE THE GLOBAL DESIGN HELPS

A group compliance design built for Europe or Latin America rarely needs a US module for domestic invoicing. **It does need to recognise US entities as senders to foreign customers** — which is usually a routing question, not a new project.

A design sequence

ORDER	WHY IN THIS ORDER
1 • IRIS	The only item with a hard date this year
2 • Nexus	The largest exposure; decides registrations and engine configuration
3 • Certificates	Evidence for every exempt sale, linked in SAP
4 • Group routing	US entities invoicing mandated countries brought into the design

07 Where global groups get the US wrong

And a health check

MISTAKE	WHY IT HAPPENS, AND WHAT IT COSTS
Budgeting for a US e-invoicing mandate	Pattern-matching from Europe; money spent on a problem that does not exist
Treating sales tax as a VAT	No input credit, thousands of jurisdictions, and exemptions that depend on paperwork
A one-off nexus study	Rules changed since; exposure accumulates quietly
Ignoring the foreign-customer case	US entities invoicing mandated countries outside the group design
Leaving 1099s to January	The platform switch turns a routine filing into a project

The next ninety days

October

- Confirm the IRIS route and credentials
- Update 1099 thresholds

November

- Test IRIS before FIRE closes
- Validate vendor tax data

December

- Commission a nexus review
- Audit certificate coverage

A health check in ten questions

QUESTION	IF THE ANSWER IS UNCLEAR
1 Is our nexus position reviewed each year?	Unregistered states, and retrospective liability
2 Did any state's 2026 changes affect us?	New obligations without new sales
3 Do we tax the services states now tax?	Under-collection on software and IT
4 Are exemption certificates complete and valid?	Exempt sales reclassified as taxable in audit
5 Are retail delivery fees applied where due?	Small amounts, many orders
6 Are 1099 thresholds updated for 2026?	Over- or under-reporting
7 Is our route to IRIS tested?	A filing season without a filing channel
8 Are vendor tax identifiers validated?	Mismatches and backup-withholding notices
9 Are federal invoices sent from the ERP?	Manual entry, errors and late payment
10 Do we invoice customers in mandated countries?	Invoices outside the group compliance design

Questions 1, 4 and 7 are the ones to answer first: the first two carry the largest financial exposure, and the third has a hard date in November.

WHAT WE TYPICALLY FIND

No e-invoicing need at all; a tax engine configured for a 2019 nexus position; certificates stored in a shared drive; and a 1099 process that nobody has yet mapped to the new platform. **The last one has a date.**

08 How 30 Advisory helps

An SAP finance and compliance practice

For global groups, our US work usually starts with a question about e-invoicing and ends with a clearer view of what the US subsidiary actually needs — and how it fits the group's compliance design.

US scoping

A short review answering what applies: foreign-customer invoicing, federal platforms, the IRIS route, and the sales-tax integration in SAP.

Output: a clear list — including what does not apply.

SAP remediation

Tax-engine integration and exemption-certificate data, 1099 thresholds and the IRIS route, and federal invoice output from SAP.

Output: a clean 2027 filing season.

Group alignment

US entities placed correctly in the group compliance design, including invoices to customers in mandated countries.

Output: one design, correctly scoped.

What a US scoping review produces

An applicability map	Which obligations apply to each US entity — and which assumed ones do not
An IRIS readiness position	How 1099s will be produced and filed for tax year 2026
An SAP view	Tax-engine integration, certificate data and vendor data quality

IF YOU ARE AHEAD

If nexus was reviewed this year, certificates are linked in SAP and IRIS is tested, there is little to do — **and we will tell you that.**

What makes this different

- ◀ **We will tell you what you do not need.** For a US entity, the most valuable finding is often that no e-invoicing project is required.
- ◀ **We work on the SAP side of sales tax.** Nexus decisions belong with your tax advisers; making SAP reflect them is where we help.
- ◀ **We connect the US to the group.** Foreign-customer invoicing is a routing question within a design you already have.
- ◀ **We say what we are not.** We are not your tax adviser or your sales-tax provider. We work alongside them.

A SENSIBLE FIRST STEP

Two questions, answerable in days: **how will our 2026 1099s reach IRIS, and when did we last review nexus?** The first has a November deadline; the second carries the largest exposure.

Sources consulted 25 September 2026 — IRS guidance on 1099 thresholds, e-filing and the FIRE to IRIS transition; Treasury Fiscal Service on the Invoice Processing Platform; the DFARS invoicing clause; Federal Reserve and DBNAlliance material on the exchange framework; Avalara, Tax Foundation, PwC, Washington DOR and Ballard Spahr on 2025–26 state changes; Streamlined Sales Tax Governing Board. SAP behaviour from the SAP Help Portal and partner commentary.

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