



Robert W. Wood

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Confused By Amazon Taxes? You're Not Alone

It is maddening that online sales tax can be such a mystery. Sure, the rules are changing, but do you really have to check out before you know if you'll pay tax? There are a few tips here: [Paying Online Sales Tax? Five Ways To Know.](#)



Still, you may be confused even at [Amazon.com](#). Amazon built a good part of its business by not collecting sales tax so its already attractive prices were even lower. But read Amazon's tax policy now and you'll wonder what language it's in. See [Amazon.com Help: Sales Tax Requirements](#). Here's an example:

“ If an item is subject to sales tax in the state to which the order is shipped, tax is generally calculated on the total selling price of each individual item. In accordance with state tax laws, the total selling price of an item will generally include item-level shipping and handling charges, item-level discounts, gift-wrap charges, and an allocation of order-level shipping and handling charges and order-level discounts.

The amount of tax charged on your order will depend upon many factors including Identity of the seller, type of item purchased, and destination of the shipment. Factors can change between the time you place an order and the time of credit card charge authorization, which could affect the calculation of sales taxes. The amount appearing on

your order as Estimated Tax may differ from the sales taxes ultimately charged.”

OK, glad we cleared that up. Fortunately, the site goes on to say that items sold by Amazon.com LLC, or its subsidiaries, and shipped into these states are taxed:

- California
- Kansas
- Kentucky
- New York
- North Dakota
- Pennsylvania
- Texas
- Washington

Amazon also has a handy chart here: [Sales Tax on Items Purchased from Select Amazon Sellers](#), although it’s a little overwhelming. In fairness, Amazon sells a staggering number of products and must deal with 45 states with sales and use tax. Plus, Amazon teams with large numbers of [sellers](#) so a single Amazon order may contain items from multiple sellers.

Each seller may have different sales tax collection obligations according to their business policies and location. Amazon calculates sales taxes based on the seller’s instructions which vary state by state. Sales tax information for these sellers can usually be found in the seller’s Shipping and Tax Information section.

Bottom Line? You may have to check out before you can tell if you’ll pay tax. Keep in mind the only question may be whether the merchant must collect and remit the tax or it’s up to you as the buyer. But if you buy new tangible goods and have them shipped to you in any of 45 states or D.C., you should pay your use tax.

One reason to be careful? Use tax enforcement has historically been weak, but that is changing.

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*