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The Era Of No Amazon Sales Taxes Is Nearly Over

Although headquartered in Washington State, Amazon already collects sales tax in Kansas, Kentucky, New York, North Dakota and Washington. What's more, here's a coming hit list where and when you'll be taxed on Amazon purchases:

- **Texas, July 2012**
- **California, September 2012**
- **Virginia, September 2013**
- **Indiana, January 2014**
- **Nevada, January 2014**
- **Tennessee, January 2014**
- **South Carolina, January 2016**



Don't shoot the messenger! That's what Amazon.com Inc. may want to say to crowds of online buyers who love to click and buy without tax. Unfortunately, the days of doing so are going fast. Image via techdigest.tv

See [Amazon Softens Stance on Taxes](#). The most recent entrants to this list were Nevada—see [For Amazon Taxes, What Happens In Vegas Doesn't Stay In Vegas](#) and [Texas: Tax Alamo? Amazon Strikes Texas Tax Deal While Illinois Tax Goes Down](#). Consumers and even some businesses will feel the pinch. But one big group that's hoping for this and even more relief is brick-and-mortar retailers.

They claim Amazon and other online stores have an unfair edge. Yet tax rules—at least traditional rules before the Internet—make it clear an online seller with no office in the state may be home free. After all, the Constitution prevents states from taxing “interstate commerce.”

What does that mean in practical terms? No state can force an out-of-state merchant to collect or pay sales/use tax unless it has a “nexus” in the state. In [Quill Corp. v. North Dakota](#), the Supreme Court ruled that a business had to be **physically present** in a state before it was required to collect use tax.

In 1992 when [Quill](#) was decided, merely shipping into a state wasn't enough, but a showroom or office was. See [Amazon Tax Attacks](#). But as brick and mortar sellers complain and tax revenues drop, a number of states have passed legislation to make on-line retailers charge tax based on ties that likely would not have been enough in 1992. As an Illinois court's ruling striking down that state's online tax makes clear, some courts may side against the tax.

Still, Texas Comptroller Susan Combs reports that it was Amazon that sought out the Texas deal. More Amazon warehouses in more states will mean more of a presence everywhere. Among other advantages, that should help reduce Amazon's shipping costs.

Of course, at the pace Amazon is selling even these closing windows may give the giant a huge boost. Also remember that federal legislation is still possible. The template for state deals may be California. Amazon agreed to collect golden state taxes starting September 15, 2012 **only if** the federal government **does not** pass a federal online tax measure.

If the [Main Street Fairness Act](#) passes it would impose a national tax standard but allow states abiding by the [Streamlined Sales and Use Tax Agreement](#) to force Internet sellers to collect tax. The [Main Street Fairness Act](#) and [Marketplace Fairness Act](#) are two of three major sales tax measures that would make it easier for states to require out-of-state sellers to collect sales tax from their residents.

Are they fair? Probably, but [EBay Inc.](#) argues they would hurt smaller businesses by putting them on the hook to collect sales-tax. Passage remains uncertain. See [Politicians, Retailers Push For New Internet Sales](#)

[Taxes](#). But one way or another, not paying tax seems destined to become rarer still.

For more, see:

[Tax Alamo? Amazon Strikes Texas Tax Deal While Illinois Tax Goes Down](#)

[For Amazon Taxes, What Happens In Vegas Doesn't Stay In Vegas](#)

[Amazon Taxes Are The REAL Hunger Games](#)

[Marketplace Fairness Tax Pits Amazon v. eBay](#)

[No Sales Tax Cyber Monday \(But Beware Use Tax\)!](#)

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