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### Amazon Tax: Good, Bad and Ugly

First, California Governor Jerry Brown signed [ABx1 28](#), the Golden State's Amazon Tax. That was a mere three months ago, back in those carefree June days when California seemed to say: "If we tax you, you will (still) come."



California's Amazon tax was intended to "clarify" the obligations of out-of-state retailers to collect use tax on sales to California residents. The law took effect immediately, and like many "clarifications," it charted new ground. But just as quickly, it's gone.

Governor Brown has now signed [AB 155](#) repealing it. The bill signing was expected, capping Amazon's late night deal with legislators to delete the tax like a virus. See [How Amazon's California Tax Romp Will Impact Us All](#). The California Amazon tax had the state's own spin on what it means to be engaged in business in California's State of Grace. But now for one more year—until September 15, 2012—Amazon and other online retailers aren't required to collect California sales or use tax.

Of course, online sellers face mounting pressure to collect sales taxes across the country. If you want to click and buy in California, do it before September 15, 2012. Bricks-and-mortar retailers and state governments may act in the meantime, but at least in California, consumers seem safe

for a year. Of course, Amazon is safe too, racking up sales and hoping the year turns plural or that it has another late night deal up its sleeve.

After all, the compromise it struck with money-hungry California was that the tax faucet would back turn on September 15 2012 **only** if the federal government **does not pass** any federal online tax measure. If the national [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. In an odd alliance, Amazon and traditional retailers like [Wal-Mart](#), [Best Buy](#), and [Home Depot](#) all [support the “Main Street Fairness Act”](#).

In the current jobs crisis, some of this is about jobs, and Amazon has turned this into a debate about bringing jobs to California. One California Board of Equalization member, [George Runner](#) gave a thumbs-up to the bill signing, [noting](#) that it could:

“get some California affiliates back to work and bring thousands of Amazon.com distribution jobs to California. That’s very good news. Unfortunately, this legislation is by no means a cure-all. It does nothing to solve the long-term problems created by the Legislature’s botched efforts to compel out-of-state retailers to serve as California’s tax collectors.”

“Absent a federal solution, which is highly unlikely in such a short time frame given all of the competing interests, we’ll be right back in the same mess in a year. The State of California will again be killing California jobs, driving away investment and inviting costly litigation.”

For more, see:

[Amazon Wins Reprieve on California Tax in Exchange For Jobs](#)

[Gov. Jerry Brown to sign “Amazon Tax” into law](#)

[California Lawmakers Give Amazon Tax Reprieve](#)

[“Amazon Tax” Repealed Under New Law](#)

[Illinois Governor Signs Amazon Internet Sales Tax Law](#)

[Will California Super-Amazon Tax Bill Thwart Voters?](#)

[California Taxes In Heart Of Amazon Country](#)

[Amazon Tax Attacks](#)

[Amazon Battles States Over Sales Tax](#)

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