



Robert W. Wood

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Will California Super-Amazon Tax Bill Thwart Voters?

If you thought the Amazon tax debate was hot already, get ready for an even hotter one. As I noted [here](#), the Amazonian response to tax is a grassroots take-it-to-the-voters campaign. What's California's counterpunch? A bill in California's legislature would trump the referendum vote and make the tax stick ***no matter what the voters say!***



In the limelight is California Senator [Loni Hancock](#), D-Berkeley, who added the tax-trumps-vote provision. [Hancock's measure](#) would actually ***repeal*** the original Amazon tax in favor of a new super-tax-bill that would require a two-thirds vote of the Legislature. That supermajority would mean that ***no referendum could undo it***. And that would be, well, like clear-cutting the Amazon.

Of course, this bill is only a bill, not yet passed, and the dollars being thrown at this from all sides may start growing like weeds. Some say Amazon is cheating Californians and depriving the state of much-needed revenue. That means schools, the environment and social programs.

But there is support for the Amazon tax, even from some unlikely sources. In part, this may be due to the increased threshold of sales that online companies must meet before being required to collect California's

use tax. That's a clever part of the super Amazon tax plan. The Amazon tax now on the books [ABx1 28](#) signed June 28, 2011 says \$500,000 in annual sales is enough.

But Sen. Hancock's super Amazon tax bill would double that threshold to \$1 million before online sellers would face it. That was evidently enough to make eBay [support the measure](#), something California Assemblyman Charles Calderon, D-Whittier, trumpets. But not everyone is playing the same tune.

California's top tax administration and decision making body is the 5 member State Board of Equalization, and member [George Runner](#) has [blasted](#) the super-tax effort:

“On the very day Governor Brown spoke about job creation, legislators are concocting an outrageous ploy to prevent the people from voting to overturn the ‘Amazon Tax.’ Clearly these lawmakers are afraid the public is poised and ready to vote down the failed ‘Amazon Tax’ that is costing our state jobs. Instead of continuing their attack on out-of-state online retailers, the Governor and Legislature ought to be asking these companies how we can work with them to get Californians back to work.”

Governor Brown signed [ABx1 28](#) on June 28, 2011 to “clarify” the obligations of out-of-state retailers to collect and remit use tax on sales of tangible personal property to California residents. Of course, sales and use tax are almost always paid by the buyer. Yet the only effective collection mechanism is getting the seller to collect it.

Because the [U.S. Constitution](#) prevents states taxing interstate commerce, no state can force an out-of-state merchant to collect or pay sales/use tax unless it has a “nexus” in the state. The new law expands California use tax registration to large out-of-state retailers previously not required to collect use tax on sales to California customers.

For more, see:

[Sen. Loni Hancock Acts To Thwart Amazon Referendum](#)

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

[Amazon Tax Attacks](#)

[Amazon Battles States Over Sales Tax](#)

[Amazon Boycott Over Internet Sales Tax Gains Momentum](#)

*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, [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.*