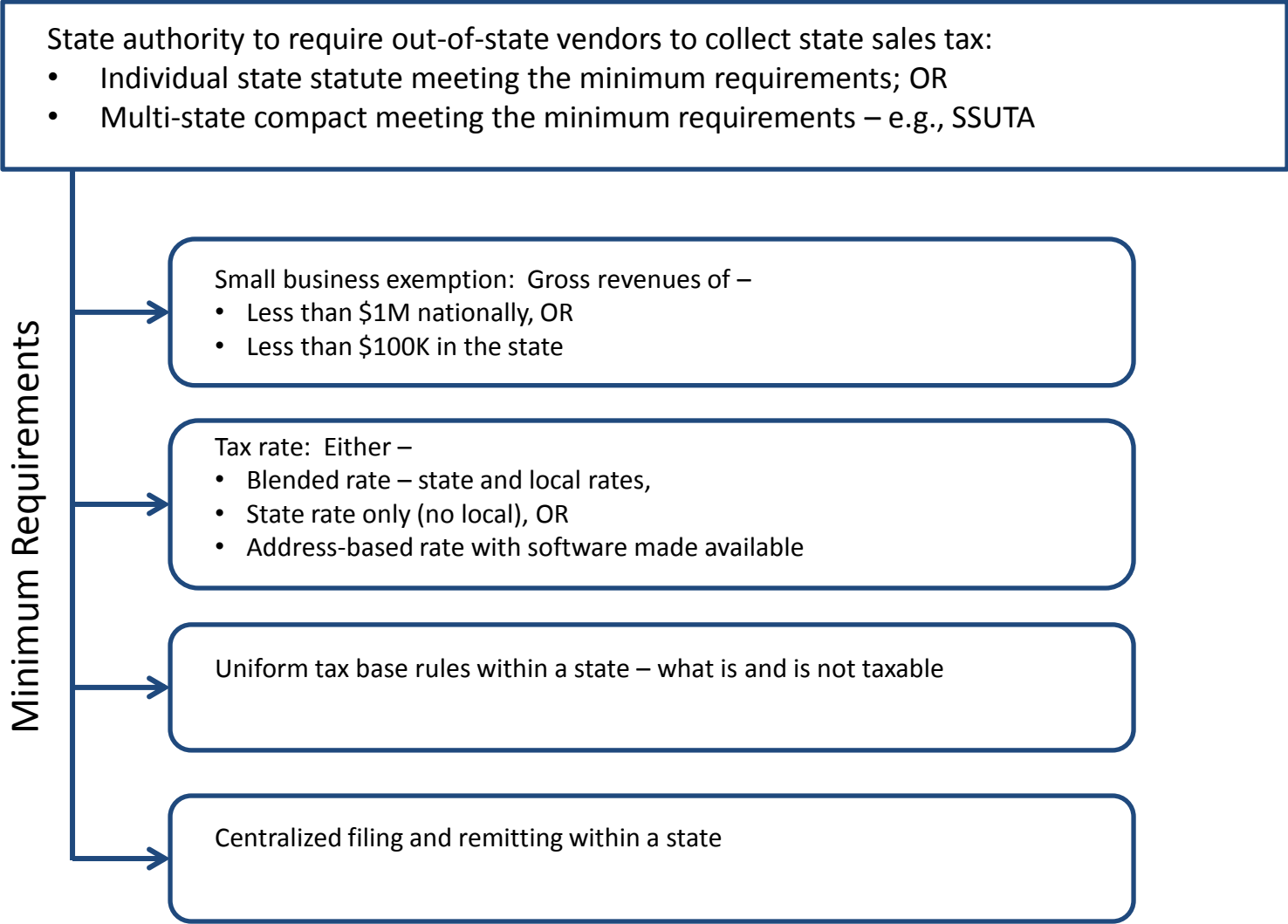


E-Fairness: It's all about Main Street, Jobs and States' Rights

- ***The current system hurts small businesses*** – Because of a decades-old loophole that pre-dates the internet, online-only companies can achieve as much as a 10% price advantage over brick-and-mortar retailers by not collecting state sales tax. This special treatment has the effect of the government picking winners and losers in the marketplace, and local businesses simply cannot compete over the long term with online giants that have a competitive advantage based on government policy.
- ***The cost is jobs*** – Unless the system is corrected, local retailers – big and small – will increasingly be forced to close their doors, taking with them the millions of retail jobs they provide, as these businesses are punished by the government for following the law, while their online competitors are exempt. From local booksellers and jewelers to nationally known names like Circuit City Borders, and Linens N Things, the lack of a level playing field has already cost thousands of local jobs and more are threatened the longer this disparity continues. These businesses provide crucially needed jobs, pay local property taxes and make critical civic investments in our communities. How many Little League teams does Amazon sponsor? How often do online-only sellers donate goods and services to local churches and charities?
- ***It's a matter of states' rights*** – The states should be able to enforce their laws, regardless of whether a product or service is purchased from an in-state or out-of-state vendor. Congress should allow the states to enforce their own laws, taking the government out of the business of picking winners and losers.
- ***It's an issue of fairness*** – A sale is a sale is a sale. Whether it takes place online or at a local business, the same rules should apply online that apply on Main Street. Common sense would dictate that if a product is purchased online, the retailer should collect and remit sales tax, just as is the case when a customer goes to the store in person.
- ***This is not a new tax on internet sales*** – Just because some online-sellers don't currently collect the tax doesn't mean the state's sales tax is not due. In fact, today online-only establishments are leaving individuals who purchase items on their Web sites exposed since these consumers are still legally responsible for paying the tax directly to the state. Moreover, individuals can be audited and penalized.
- ***Congressional action is needed*** – In a decision that pre-dates modern e-commerce, the Supreme Court's Quill decision held that the maze of state and local rules in 1992 was too complicated and onerous to require retailers to follow unless they had a physical presence in the consumer's home state. The Supreme Court opened the door completely for Congress to exercise its authority and let the states enforce their laws to level the playing field between brick-and-mortar businesses and online only sellers.
- ***A comprehensive solution is achievable*** – A comprehensive federal approach should allow the states, individually or through an interstate compact, to simplify their sales tax laws. This solution would simply provide self-help for the states, without adding a penny to the federal deficit.

21st Century e-Fairness Legislation





MAIN ST.

StandWithMainStreet
.com

It's a matter of simple fairness.

Alliance for Main Street Fairness (AMSF)

Why Change The Law?

A Flawed System Has Government Picking Winners and Losers:

Common sense would dictate if someone buys a product online, they should pay the same sales tax as anyone would if they had gone to the store in person.

But a massive loophole is being exploited whereby online-only retailers aren't collecting sales tax at the point of purchase despite the fact that the tax is still due; and small brick-and-mortar businesses are at a significant disadvantage as they are collecting the tax as required by law. This special treatment has the effect of the government picking winners and losers in the marketplace, and local businesses simply cannot compete over the long term with online giants that have a competitive advantage based on government policy.

The truth is: a sale is a sale is a sale. Whether it takes place online or at a local business, a sale is made, a transaction has occurred and the sales tax is owed. The same rules should apply online that apply on Main Street. It is a question of fairness and evenhandedness.

The current system hurts small businesses – Because of a decades-old loophole that pre-dates the Internet, online-only companies can achieve as much as a 10% price advantage over brick-and-mortar retailers by not collecting sales tax. This is an antiquated system that needs to be modernized for 21st Century commerce.

A broken market is costing us jobs – Unless the system is corrected, local retailers – big and small – will increasingly be forced to close their doors as they are punished by the government for following the law and collecting sales taxes, while their online competitors are not. From local booksellers and jewelers to nationally known names like Circuit City and Borders, the lack of a level playing field has already cost thousands of local jobs and more are threatened the longer the disparity in sales-tax collection continues. These businesses provide jobs, pay local property taxes and make critical civic investments in our communities. How many Little League teams does Amazon sponsor? How often do online-only sellers donate goods and services to local churches and charities?

It's a matter of states' rights – The states should be able to enforce their laws regarding the collection of sale taxes, regardless of whether a product or service is purchased from an in-state or out-of-state vendor. Congress should allow the states to enforce their own sales-tax laws, taking the federal government out of the business of picking winners and losers based on sales-tax collection.

It's an issue of fairness – A sale is a sale is a sale. Whether it takes place online or at a local business, the state sales tax applies to that sale. The same rules should apply online that apply on Main Street, where sales taxes are collected every day as required by law. Common sense would dictate that if a product is purchased online, the retailer should collect and remit sales tax, just as is the case when a customer goes to the store in person.



MAIN ST.

StandWithMainStreet
.com

Alliance for Main Street Fairness (AMSF)

Why Change The Law?

This is not a new tax on Internet sales – Just because some online-sellers don't currently collect the tax doesn't mean the state's sales tax is not due. In fact, today online-only establishments are leaving individuals who purchase items on their Web sites exposed since these consumers are still legally responsible for paying the tax directly to the state. Moreover, individuals can be audited and penalized for any unmet tax obligation that hasn't been paid. For the states, these uncollected sales taxes are growing accounts receivable, which they are currently barred from collecting in the same manner as on sales in a brick-and-mortar store.

Individuals Exposed:

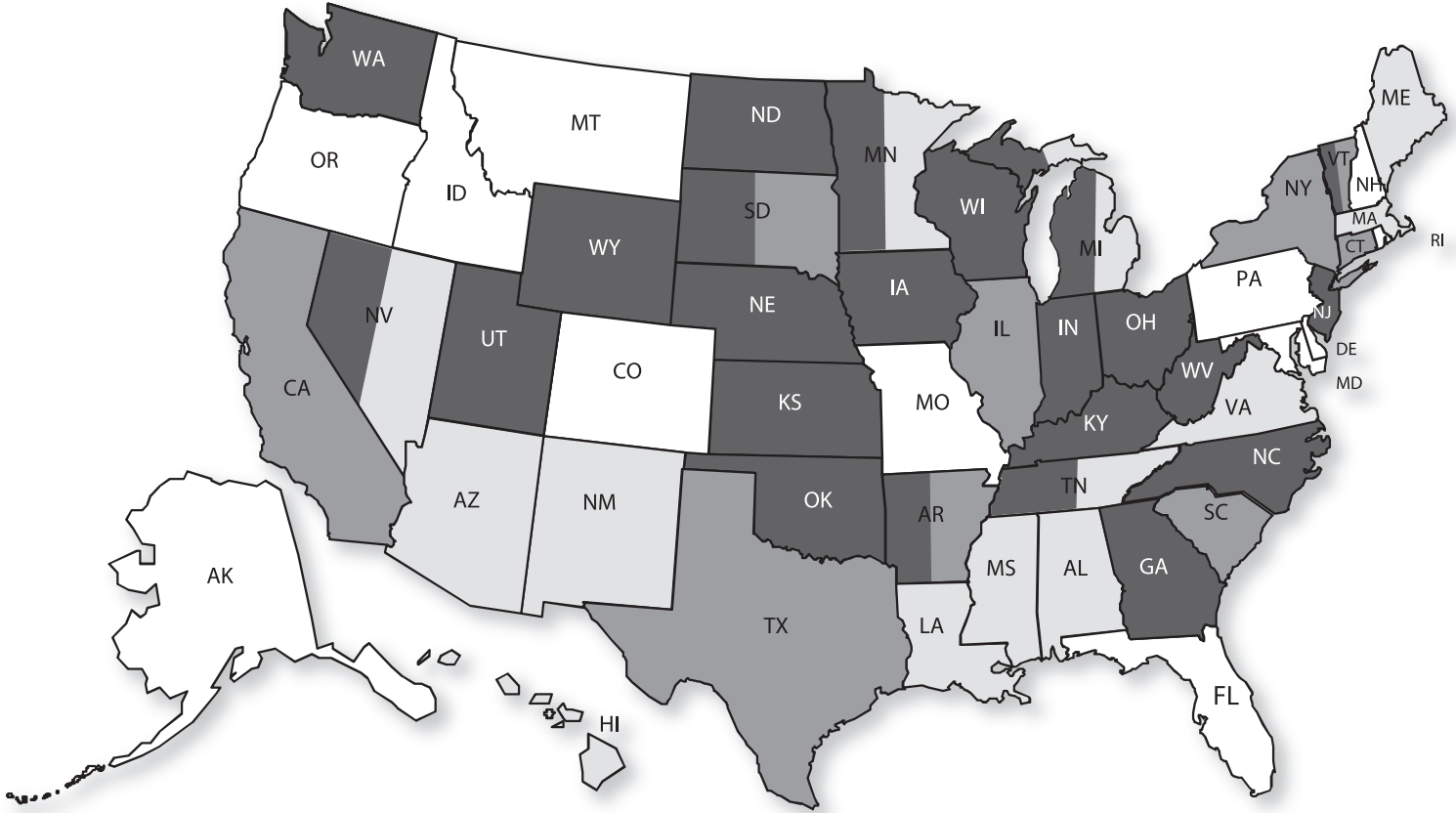
Just because the online merchant doesn't collect the tax, doesn't mean it is not due. Stores like Amazon and Overstock are leaving individuals who purchase items on their Web sites exposed as these purchasers are carrying an unmet tax liability. In fact, individuals can be audited and penalized for any unmet sales tax obligation that hasn't been paid.

Each year, our tax forms make specific inquiries with regard to purchases made online or through other remote sellers and whether the sales tax was paid. Due to the fact that these online-only retailers do not collect the tax at the point of sale and do not inform purchasers it is their responsibility to record the amount of sales tax due and pay it directly to the state, their customers are exposed as they are carrying an unmet tax liability that could result in an audit.

A federal solution is needed – In a decision that pre-dates modern e-commerce, the Supreme Court's 1992 Quill decision held that the maze of state and local sales tax rules in 1992 was too complicated and onerous to require retailers to collect sales taxes unless they had a physical presence in the consumer's home state. The Supreme Court invited Congress to exercise its authority under the Commerce Clause of the U.S. Constitution to "decide whether, when, and to what extent" the states may require sales-tax collection on remote sales.



Alliance for Main Street Fairness (AMSF)
Main Street Fairness Legislation



Streamlined States:

Arkansas	Michigan	North Dakota	Utah
Georgia	Minnesota	Ohio	Vermont
Indiana	Nebraska	Oklahoma	Washington
Iowa	Nevada	Rhode Island	West Virginia
Kansas	New Jersey	South Dakota	Wisconsin
Kentucky	North Carolina	Tennessee	Wyoming

Passed Main Street Fairness Legislation:

Arkansas	Illinois	South Carolina	Texas
California	New York	South Dakota	Vermont
Connecticut			

Introduced Main Street Fairness Legislation:

Alabama	Michigan	Minnesota	New Mexico
Arizona	Maine	Mississippi	Tennessee
Hawaii	Massachusetts	Nevada	Virginia
Louisiana			



Alliance for Main Street Fairness (AMSF)

Sales Tax Collection Myth/Fact

MYTH: Legislation to require online-only companies to collect sales taxes is a new tax.

FACT: Purchases made over the Internet are not tax free. When Amazon and other online-only retailers fail to collect the sales tax on a purchase, it falls to consumers to track and remit that tax when filing their personal, state income tax. Forcing consumers to keep receipts and add up their purchases to compute additional sales tax liability every year is a confusing and onerous burden.

MYTH: Requiring online-only retailers to collect the sales tax will result in less Internet commerce and hurt the economy.

FACT: The fact that online-only retailers are able to exploit a loophole and fail to collect the sales tax at the point of purchase, results in an unfair advantage over local, brick-and-mortar businesses that are required to collect the tax at the point of purchase. This sort of government favoritism picking winners and losers in the economy is actually costing us jobs. Many local employers can't compete with online giants that get special treatment from the government. These stores that serve our communities are increasingly forced to lay off workers, or are run out of business completely. A true free market is a fair one. Unless the system is corrected, local retailers will become endangered species as they are being punished for following the law and collecting sales taxes, while their competitors are not. This is a matter of common sense and basic fairness.

MYTH: Collecting the sales tax would be extremely burdensome for online-only retailers as it would require them to develop, test and install new software, which would be costly and time consuming.

FACT: The reality is that the software and Web applications necessary to collect the sales tax have already been developed and put in place by numerous retailers that choose to adhere to the law and collect the sales tax. The current system is not only unfair to retailers who play by the rules, but it also leaves taxpayers at risk of an audit. Today individual taxpayers are required to record the purchases they make online where sales tax was not collected, and add up the taxes owed on those transaction and add it to their state tax bill every year. This is a confusing and burdensome responsibility most taxpayers are not even aware is theirs. The correct solution is for online-only retailers to harness Web applications that already exist for collecting the sales tax and to do so at the point of purchase.

MYTH: No one is negatively impacted and consumers benefit by being able to purchase goods on the Internet without paying the sales tax.

FACT: Across the board, everyone – including the purchaser – is put at risk by the fact the sales tax is not collected at the point of purchase by online-only retailers. The buyer has an unmet tax liability that could result in an audit. Employers that are forced to collect the tax are losing business and may be forced to close or lay off workers. And states with massive budget deficits--are going without revenue that could help ensure they pay down their debt and finance critical services like law enforcement and emergency personnel. The only group that benefits is mega, online-only retailers who are getting special treatment from the government

THE WALL STREET JOURNAL.

Amazon Battles States Over Sales Tax

*By Stu Woo
The Wall Street Journal
Wednesday, August 3, 2011*

SEATTLE—Amazon.com Inc., the world's largest online retailer, hasn't charged sales tax in most states since its founding in 1994. And it has taken some extreme measures to keep it that way.

Among them: Staff traveling around the U.S. have been required to first consult a company map that shades each state red, yellow or green, said three people who have worked for the retailer. These people said they needed permission from managers or company lawyers before entering "red" states because a worker's actions might trigger laws that force Amazon to collect taxes in those states.

Such steps to avoid local levies allow Amazon to undercut in-state retailers by the amount they must add in sales tax, which can exceed 8%.

A close examination of Amazon's corporate practices, based on interviews with more than a dozen former employees and people who have done business with the Seattle company, as well as a review of corporate documents, indicates that the company believes its sales-tax policy is critical to its performance.

Credit Suisse recently estimated that if Amazon were forced to collect sales taxes in all states, it would lose as much as \$653 million in sales this year, or 1.4% out of an estimated \$45.5 billion in revenue.

Amazon says it doesn't win orders by nixing sales taxes. Spokeswoman Mary Osako said the company focuses on "low prices, vast selection and fast delivery," adding that Amazon earns more than half its revenue in jurisdictions, including many overseas, where it collects sales tax or the local equivalent. Ms. Osako cited a July report from William Blair & Co. that said if Amazon added sales tax it would still be priced lower than other major retailers on nearly half of the products the report surveyed.

Like many online retailers, Amazon says it is obliged to add state and local sales taxes only on purchases from residents of states where Amazon has physical retail operations. But it also has defined retailing narrowly as selling, so related operations such as warehouses don't put it on the hook to charge tax, company representatives have said.

Amazon said it follows a 1992 U.S. Supreme Court ruling. Legal experts say the retailer's approach is aggressive but within the law.

In response, lawmakers in nine states have passed new legislation aimed at limiting Web retailers' wiggle room to avoid charging sales tax. Amazon is now challenging the bills through a lawsuit and a ballot initiative. It is simultaneously redoubling its efforts to avert triggering their requirements for tax collection by retreating from states it deems unfriendly.

State and local governments nationwide this year will lose \$10.1 billion to \$11.3 billion in sales taxes not collected by Web retailers, estimated University of Tennessee researchers in a 2009 report.

Amazon's campaign marks a new chapter in a long-running battle over sales tax. Shoppers for years have crossed state lines to get lower rates. Before the Internet, many catalog-retailers didn't charge tax to out-of-state customers.

In the past two decades, the boom in Web retailing has turned a quirk of tax law into a nationwide fiscal battle, heightened by broader forces affecting the economy. State budget deficits are growing and so is the volume of tax revenue states lose to Web commerce. But states' legal tools to claw back those funds largely predate the Internet.

"Eventually, it'll be the U.S. Supreme Court or the Congress that will be the final arbiter of the issue," predicts Richard Pomp, a professor of law at the University of Connecticut and expert on Internet tax issues.

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Amazon advocates a national sales tax for online retailers, which it argues would simplify tax collection. Congress is now considering such a law, but previous attempts over recent years have failed.

"These complicated state-by-state tax rules perfectly illustrate the need for a simplified, federal solution which is the approach Amazon has supported for years," Ms. Osako said.

State authorities fume at Amazon's ability to elude their taxing powers, which are limited across state lines. Amazon Chief Executive Jeff Bezos has said the issue was forefront in his mind when he created the company.

"Amazon has been quite clear . . . that they designed this business model to not have to collect sales tax," said Nancy Skinner, a California assemblywoman who sponsored legislation aimed at methods used by Web retailers. Ms. Osako denied that was the case.

Currently 45 states levy sales taxes and require any retailer with a physical presence to tack them on most in-state transactions. But businesses, lawmakers and legal minds have long debated what constitutes a physical presence. State legislators have recently moved to broaden the definition.

California earlier this year passed a law requiring any Web retailer that develops products in its state to include sales taxes on purchases there. New York has done likewise for any retailer with online-advertising affiliates based in the state. Illinois and other states have passed similar bills, informally dubbed "Amazon laws" because it is the biggest target.

But many of these laws are legally questionable, said John Swain, a University of Arizona law professor and tax expert. He said they may violate a 1992 U.S. Supreme Court ruling, *Quill Corp. v. North Dakota*, which stated retailers don't have to collect sales taxes in states where they lack a physical presence. He said Amazon has "the right to minimize their taxes lawfully," and its maneuvers appear valid.

Betty Yee, an elected member of a California board that oversees tax collection, said the new laws in many states are legal. "The world of commerce has changed so much that physical presence does not necessarily mean having a brick-and-mortar physical location," she said.

Amazon began as an online retailer of printed books before branching out to sell music, movies, electronics, clothing, household goods, groceries and other items. Since 2007, it has invested heavily in digital content such as music, video and books. The company now operates separate sites for at least eight countries, including China and the U.K.

Amazon's Mr. Bezos has said he established the company in Washington partly because it has a tech-savvy but relatively small population, so state taxes wouldn't affect many potential customers.

"It had to be in a small state," he said in a 1996 interview with *Fast Company* magazine. He even mulled basing Amazon on a California Indian reservation because he thought it would allow his company to avoid collecting sales taxes in the state, he added.

Amazon declined to make Mr. Bezos available for this article.

Amazon charges sales taxes on purchases from Washington state residents. It also collects sales taxes in Kansas, Kentucky and North Dakota, where it has sales operations.

The company has facilities such as warehouses and product-development labs in other states, including California and Texas. Amazon has said such operations shouldn't trigger tax collection because they don't sell products, only ship them.

To emphasize the distinction, Amazon controls these operations through wholly owned subsidiaries, using a legal tactic known as "entity isolation."

Several chain retailers, including bookstore Borders Group Inc., have also tried not to charge sales tax online, but were blocked. Borders argued that its Web operation was separate from its stores, but a California court in 2005 rejected the argument, ruling the two were intertwined. A spokeswoman for Borders, which faces bankruptcy liquidation, declined to comment.

State leaders in South Carolina and Tennessee assured Amazon that it could operate its planned warehouses in those states without collecting sales taxes, lawmakers and Amazon have said.

Many of Amazon's online-only peers do charge sales tax in states where they operate warehouses. But since they are smaller than Amazon, none faces issues in as many states.

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California-based electronics retailer Newegg Inc. collects sales tax in the three states where it has warehouses. Newegg general counsel Lee Cheng said, "The entity isolation strategy is very questionable." Ms. Osako countered that Amazon is "compliant with state tax rules."

Former Amazon staffers say the tactic is typical of its aggressive approach to minimizing sales tax. Early employees recall requirements to consult lawyers before arranging trips to states including California. Former staffers say they got grilled about the purpose of trips and warned to avoid soliciting new customers, promoting products and doing similar activities in certain states because of tax concerns.

In the 2000s, Amazon documented the restrictions in a U.S. map that shaded each state red, yellow or green and was given to new employees, said three people who saw it. It couldn't be determined precisely which staffers received it and to what extent the practice is followed today.

Other employees received a spreadsheet with two columns: "bad states" and "safe states," said a person who saw the document within the past year. One copy of the spreadsheet, reviewed by The Wall Street Journal, listed nine "safe states," including the four states where Amazon declares retail operations. The spreadsheet listed 19 "bad" states, including Arkansas, Connecticut, Illinois and Texas, which have sought to expand taxation of online sales.

Former employees said "red" states and "bad" states were those with strict laws about what employee actions would force a company to collect taxes there, or with aggressive tax offices. The workers were told to not do certain activities, such as soliciting new customers and promoting products, while in those states.

Employee conduct was also restricted in the 22 states that didn't appear on the spreadsheet, or that were shaded yellow on the company map, say people familiar with the matter. One example cited was that staff could attend trade shows but not actively solicit business in some states.

For travel to California, some former employees recall being instructed by lawyers and managers to use special business cards. Rather than distributing typical "Amazon.com" cards, they used ones from "Amazon Digital Services," a wholly owned subsidiary that sells digital content such as books and

music. Representing a subsidiary, rather than core retail operations, would help prevent state authorities from going after Amazon, the people said.

"It's a very unscrupulous practice," said Ms. Yee of the California tax board. She said Amazon employees visiting the state on business should present themselves clearly. If they don't, she added, "I think it's a conscious attempt to evade California's tax laws." She declined to comment on whether the practice was illegal. It couldn't be determined to what extent Amazon currently uses the method.

Three former employees recall Amazon lawyers and managers telling staff not to send work emails while in certain states. One example was a situation in February 2010, they said. Business-school students who had applied for Amazon's summer internship program received an email from an Amazon recruiter, Jamie Kezner, who said she was stuck in New York and "only able to communicate interview decisions when I am in Washington state," according to two applicants who received the email.

The email doesn't make an explicit link to sales taxes, but several former employees say it was likely a key factor. Ms. Kezner didn't respond to requests for comment.

At Northwestern University's Kellogg School of Management, in Evanston, Ill., Amazon for years sent Kellogg graduates on its staff back to recruit interns. But the company stopped doing so after recruiting for summer 2008, after Illinois officials started considering an "Amazon law."

Rather than hold gatherings, Amazon conducted video conferences with prospective Kellogg recruits. People who watched the conferences said Amazon recruiters explained openly that their presence in Illinois could force the retailer to collect sales taxes there. A Kellogg spokeswoman didn't return requests for comment.

Elsewhere, Amazon isn't as acquiescent. In six states that are pressing Web retailers to collect sales taxes because they have online affiliates, such as blogs that refer customers for a commission, Amazon has ended relationships with its affiliates. Amazon and a trade association representing the affiliates have said the ties were cut because of new laws.

In California, Amazon is working to repeal the state's new online-tax law. Ms. Osako of Amazon said that "the California law is unconstitutional."



In Case You Missed It!

Amazon's Argument Falls Apart

Stephen DeMaura

September 14, 2011

Red State

Federal and state policy is currently treating two sets of players within the same industry differently. These differences have allowed one set of players to gain a leg up on its competition, in some cases even driving their competition out of business.

I'm talking about the disparity between the methods sales taxes are collected when purchases are made online versus at a brick-and-mortar store on every Main Street in America. But if I were talking about any other policy, like say the Federal government's favorable treatment of Solyndra, conservatives would rightfully express outrage that government is picking winners and losers.

Amazon.com, the biggest dog in the online retailer market, has created confusion by co-opting conservative language to position itself as a victim of allegedly greedy politicians who just want to raise taxes on good American businesses to pay for bigger government. Rather the opposite is true. The true victims are the local businesses who do not have the favorable tax status that Amazon has long enjoyed. Take, for example, Amazon's response to a recent California law demanding it collect sales taxes at the point of purchase, just like thousands of Main Street retailers are required to do. It immediately challenged the state legislature and the governor by threatening to spend tens of millions of dollars on a ballot referendum to avoid collecting hundreds of millions in sales taxes.

The result? Amazon sees record revenues with its preferred tax status while small and community-oriented Main Street retailers foot their bill and struggle to stay alive.

But the story Amazon has been telling is fictitious. And its use of conservative nomenclature to do it has been cynical. The fact that Amazon relented and has agreed to begin collecting sales taxes in California beginning next year proves it.

The truth is, Amazon's unfair sales tax exemption has seriously penalized its competition, which is mostly smaller, locally owned retail shops. It has hurt job creation and economic growth. It has resulted in government superseding market and consumer preferences. And it has left Main Streets across the country barren.

And as for those so-called liberal politicians who just want to fund their big government programs? Look again. They include people like South Carolina Gov. Nikki Haley who said last spring, "And I will tell you regardless of what happens with Amazon, we want them. I have told them we want you to do business in this state, but we want you to do it on a level playing field. They got free property, they got tax incentives, and they got plenty of things. Don't ask us to give you sales tax relief when we're not giving it to the book store down the street or we're not giving it to the other stores on the other side of town, it's just not a level playing field."

They also include former-Florida Gov. Jeb Bush who recently counseled Gov. Rick Scott, "It seems to me there has to be a way to tax sales done online in the same way that sales are taxed in brick and mortar establishments. My guess is that there would be hundreds of millions of dollars that then could be used to reduce taxes to fulfill campaign promises."

Amazon's argument has fallen apart and its campaign to maintain a government-endorsed unfair advantage over its competition has been exposed. Other states and the Federal government should stop picking winners and losers and institute sales tax fairness that levels the playing field for small businesses once and for all.

To access the op-ed on Red State's Web Site, [click here](#).

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The New York Times

Amazon V. The States

Editorial

The New York Times

Friday, March 18, 2011

It never made sense to exempt online retailers from collecting sales tax. It's ridiculous now when so many states are in deep fiscal trouble. Illinois estimates that it is losing more than \$150 million a year in uncollected taxes; California is losing an estimated \$300 million a year. That would cover more than half the planned cuts for the University of California system.

It's good news that states are using new legal tools to force Internet retailers to do what every other retailer must do. It is disappointing to see Amazon.com fight back.

Amazon and other Web retailers are shielded by a 1992 Supreme Court ruling that retailers could be required to collect sales tax only in states where they had some physical presence. Amazon has kept itself off the hook in several states using warehouses owned by subsidiaries.

That strategy is now being challenged. In October, Texas sent a \$269 million bill to the company for four years' worth of taxes, citing Amazon's Texas warehouse, owned by a subsidiary. In South Carolina, Gov. Nikki Haley is reportedly reconsidering a deal cut by her predecessor that would allow Amazon to set up a warehouse there and exempt it from collecting sales taxes.

Last week, Illinois passed a law forcing online retailers to collect sales tax if they have local affiliates — local businesses, blogs or nonprofits — whose Web sites sent business their way in exchange for a cut. New York, Rhode Island and North Carolina have adopted similar laws, and New Mexico, Minnesota and Vermont are considering their own legislation. After Amazon threatened to terminate its affiliate programs in California and Hawaii, governors in both states vetoed similar bills. The California Legislature is trying again.

Amazon isn't giving up. It is disputing the tax charge in Texas and said it will close the warehouse there. It challenged the New York law in state court and lost but is now appealing. It has terminated affiliate programs in Rhode Island and North Carolina and said it will sever its affiliate links in Illinois in April.

Collecting state taxes is not an unreasonable burden for online retailers. Amazon already collects taxes in five states, including New York, and it also collects taxes on behalf of physical retailers that sell through Amazon.

The best outcome would be for Congress to pass legislation requiring all retailers, online and off, to collect sales taxes everywhere they are due. In the meantime, states should not give in to Amazon's pressure tactics.

FINANCIAL TIMES

Why Amazon's Tax-Free Landscape Needs Bulldozing

Christopher Caldwell

July 15, 2011

The Financial Times

California governor Jerry Brown killed two birds with one stone last month when he signed a law that would require internet retailers to collect the state's 7.25 per cent sales tax. He was raising needed revenue. And he was addressing a great injustice of the information age. State and federal legislators made a big mistake when they exempted e-commerce from taxes in the 1990s. They were giddy with the rhetoric of cyberanarchism and inspired by anti-tax yahoos convinced raising revenue is an optional part of running a government. The kindest thing one can say about the policy is that it constituted an overgenerous subsidy to an infant industry.

But now that online retail is a \$200bn business, the tax exemption appears an act of favouritism. In California, Amazon.com gets a price advantage of 7.25 per cent over Barnes & Noble, which, because it has physical stores in the state, must collect the sales tax even when it sells things online. It is not surprising that Amazon should be unhappy about the new law. What is surprising is that it has decided to disregard it. "This legislation is counterproductive and will not cause our retail business to collect sales tax for the state," a company spokeswoman, Mary Osako, told *The New York Times*. Mark Griffin, lawyer for the internet retailer Overstock.com, said something similar: "We're not collecting any tax for sales in California because we think the law's unconstitutional." But the duty to obey tax laws does not hinge on one's opinion of their productivity or constitutionality. The stage is set for a confrontation.

Amazon's allies point to a 1992 Supreme Court ruling which denied North Dakota the right to levy a "use tax" on a mail order office-supply company located elsewhere, because it did not have a "physical presence" in the state. Amazon, based in Washington state, has reacted to Sacramento's attempt to tax it by severing ties with its thousands of California-based "affiliates", websites to which Amazon pays a commission for "click-through" purchases. Amazon also moved to close facilities in Arkansas, Connecticut, Illinois and Texas when plans to tax e-commerce were debated.

But Amazon retains two significant offices in California, one that develops its Kindle e-book reader and another for its movie database subsidiary IMDb.com.

The anti-tax message in that 1992 decision, *Quill v North Dakota*, is not as clear-cut as Amazon's friends let on. The court saw two constitutional grounds for forbidding a state to collect sales tax: due process and interstate commerce. It ruled that due process does not require a business to be physically present for a state to levy a tax on it. It was for violating the constitution's commerce clause that the court overturned North Dakota's sales tax. It opened the door, however, to congressional action that might make such a tax possible. The court agreed its recent jurisprudence showed a "retreat from the formalistic constrictions of a stringent physical presence test in favour of a more flexible substantive approach" and lauded the North Dakota justices' reasoning in defending the tax. What is more, in his dissent, Justice White questioned the rationality of "perpetuating a rule that creates an interstate tax shelter for one form of business – mail order sellers – but no countervailing advantage for its competitors". That was a minor issue in the era of mail-order catalogues. In the internet age, it is a significant business distortion.

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Amazon has reportedly begun gathering signatures for a binding referendum on whether the state should tax online purchases. The effort might help Amazon by focusing voters' attention on California's hostility to business. Amazon has a very small warehousing footprint in the state, using facilities in Arizona and Nevada instead. Internet retail requires a flexible workforce and California is overregulated. On the other hand, any referendum will provoke discussions of corporate citizenship on terms that will be set by the company's foes. Assemblywoman Nancy Skinner, one of the sponsors of the tax bill, accused Amazon of declaring war "on the community shop owners who support our little leagues, scout troops and local economy".

More dangerous for Amazon will be that a referendum turns attention to the kind of business it is in the first place. It is the tax exemption, not the technology, that most distinguishes Amazon from its rivals. Its price advantage is the most important thing about it. The ruthlessness with which Amazon is resisting tax reform might be a measure of the centrality of tax-privilege to its business model. One can look at the collapse of Borders, not to mention independent booksellers, and ask whether government policy has undermined the bricks-and-mortar retail economy to protect a will-o'-the-wisp.

Forbes

Are Amazon.com's Days Of Tax Free Selling Numbered?

By Janet Novack
Forbes
Sunday, February 27, 2011

Are Amazon.com's days as a haven for sales-tax shirking shoppers numbered?

Retail analyst David Strasser, a managing director at Janney Montgomery Scott, suggests that they could be. "There's a lot of momentum building," he said Friday. "(Amazon founder) Jeff Bezos has built a company strategically around avoiding sales tax. But they're going to have to deal with this," he added.

Wait a minute. Hasn't Amazon successfully fended off pesky state tax collectors for 16 glorious years? Yes, but the battle has entered a new stage as Amazon builds warehouse/fulfillment centers in more locations, states grow hungrier for revenue, and a rising sales tax rate (it now averages 9.64% nationwide) puts retailers who do collect tax at an ever bigger disadvantage.

America's 25 Highest Sales Tax Rates

The back story is well known: In 1992, the U.S. Supreme Court ruled in *Quill v. North Dakota*, that only sellers with a physical presence ("nexus" in taxpeak) in a state are required to collect that state's sales taxes. Just shipping into a state by say, FedEx or UPS, isn't enough to establish nexus. Consumers still owe "use" (meaning sales) tax to their states, but few bother to pay.

Bezos made the most of *Quill*. He based his business in Seattle, instead of the Silicon Valley, to avoid having to charge California customers sales tax. He located his first East Coast distribution center in sales tax free Delaware. Some big bricks and mortar retailers, including Barnes & Noble, Borders and Wal-Mart, tried to avoid collecting taxes online, too, by setting up separate operations to sell on the Internet. But after enduring state audits and lawsuits—and also after recognizing the advantage of integrating their online and

store operations—the bricks & mortar merchants started collecting taxes online.

Today, Amazon is not only the biggest retailer on the web, but also the only one of the top 10 (for 2009 as ranked by InternetRetailer) which doesn't collect sales tax from most buyers. Dell, No. 3 on the list, finally began collecting sales taxes in 2006. (More history, [here](#).) Once they started collecting taxes on-line, the traditional retailers joined with the states in lobbying Congress to require Internet tax collection. (There's not much chance of that passing this year, says Grant Thornton partner Jamie Yesnowitz.)

Meanwhile, the states have tried a variety of attacks. Most notably, in 2008, New York passed a law which presumes Internet sellers like Amazon.com and Overstock.com have nexus if they have marketing deals with "affiliate" sellers who are physically present in New York. Amazon is challenging the law in court (so far, unsuccessfully), but it now collects sales taxes on shipments to New York. It also collects for shipments to Washington, as well as North Dakota, Kansas, and Kentucky—states where it set up physical operations early on. (My colleague, Janeace Slifka, calculates that 87% of Americans live in a state that charges a sales tax Amazon doesn't collect.)

Why didn't the other states mimic New York? Rhode Island and North Carolina adopted copycat "Amazon" laws in 2009 and Amazon dropped its affiliates in those states. That hardball tactic—which turned affiliates into local lobbyists—worked, for a time. A dozen states considered Amazon laws in 2010, but none passed. But this January, Illinois' outgoing legislature passed an Amazon law which is now sitting on Gov. Pat Quinn's desk. Quinn said Friday he hasn't decided if he'll sign the bill, which is backed by the Illinois Retail Merchants Association. Predictably, Amazon has warned Illinois affiliates

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it will ditch them if the bill becomes law, prompting Barnes & Noble to invite any spurned Illinois affiliates to sign on with its program. Other states too, including California and Minnesota, are now considering Amazon laws.

Meanwhile, another line of attack has opened up. This one is based on Amazon's growing need for physical facilities. Last year, the Texas Comptroller sent Amazon a bill for \$269 million for four years of back sales taxes, based on the theory that an Amazon warehouse in Texas—not some newfangled E-commerce marketing relationship—had given it physical nexus in the state. Texas law requires a business to collect sales tax if it operates an in-state facility “directly, or indirectly or through a subsidiary or agent by whatever name, an office, place of distribution, sales or sample room or place, warehouse, storage place, or any other place of business.”

Amazon is fighting the bill and argues the law doesn't apply because its warehouse is run by an “affiliate, but not subsidiary, of the Amazon retailing entity”. (In other words, it has put its on-line retailing operation and its fulfillment centers in separate subsidiaries of the same parent holding company.) Nevertheless, this month Amazon told employees it would close the warehouse, throwing 110 of them out of work, because of Texas' (you've just got to love this one) “unfavorable regulatory climate.” (Texas Gov Rick Perry wants the legislature to change the law to accommodate Amazon, but it's not clear if that will happen.)

Now Amazon is taking precautions. Before building two new centers in Tennessee and one in South Carolina, it sought not only conventional economic development tax breaks for itself, but also assurances that it wouldn't have to collect sales taxes from state residents.

But the South Carolina promise (which requires legislation) was made by former Gov. Mark Sanford. Current Gov. Nikki Haley told the AP on Friday that she wasn't sure it was one she can support. “I don't want us to be known as the state that doesn't keep our promises,” Haley said. “But the second side of it is when I go and I push for economic development, I want to make sure that we're being fair to the companies that are coming in and to the companies that we already have in this state.”

In Tennessee, where state regulations explicitly require an in-state distribution center to collect tax on shipments to in-state customers the Department of Revenue has proposed changing the rule to exempt a distribution center if at least half of its sales come from shipments out of state. That has prompted howls of protest from both Tennesseans for Fair Taxation, a coalition of labor and church groups, and some local merchants.

“I think Amazon is starting to overplay their hand with what they're doing in Texas and Tennessee,” says retail analyst Strasser. “I'm not an advocate for bricks and mortar retailers. But Amazon is gaming the system.”

That also seems to be the assessment of local editorial writers. Last week, for example the *Chattanooga Times Free-Press*, weighed in with an editorial headlined “No Free Ride For Amazon”. Opined the newspaper: “Exempting Amazon would immediately give it a hugely unfair sales advantage of roughly 10 percent over other on-site — if not online — retailers in Tennessee.”

After Amazon announced it would leave the state, the *Fort Worth Star Telegram* headed its editorial, “Texas Can't Be Bullied By Amazon.com”. Sniped the Texas paper:

“Bye-bye, Amazon. Texans love you, and they love the 119 jobs you brought here for a while.

Come back when you can stay longer and play by the rules. Don't let the door hit you in the behind on your way out.

You still owe us at least \$269 million. Please pay promptly. Love you, bye.”

The fulfillment center backlash is significant, Strasser says, because both the competitive market place and Amazon's ambitions require it to continue building. As Best Buy and Wal-Mart get more efficient at distributing items purchased on the web, Amazon has to have warehouses nearer its customers, he says. He also points to a *Wall Street Journal* report last month that Amazon is considering selling fresh groceries, which would require even more of a local presence wherever that service is offered.

Indeed, in its 10k annual filing with the SEC, Amazon acknowledges: “Our fulfillment center and customer service center networks, and any future expansion of them, along

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with other aspects of our evolving business, may result in additional sales and other tax obligations.”

Putting aside local editorial outrage, does Amazon’s corporate structure really protect its on-line operation from having to collect tax? That’s unclear. In a delicious irony that seems to have gone unnoticed, back in 1997, Amazon itself claimed in a federal suit that Barnes & Noble was breaking the law when it used a separate unit to avoid collecting sales tax on-line. Yet one of the court decisions that should cheer Amazon was a Louisiana federal district judge’s ruling in 2007 that Barnes & Noble’s bookstores didn’t create nexus in the state for its separate on-line subsidiary. (On the other hand, Barnes & Noble lost a nexus case in California.)

Even if it wins some court battles, Amazon could well lose the public opinion (and, in turn, the political) war. It is now a \$34 billion (2010 sales) corporation insisting that its sprawling warehouses don’t constitute a physical presence, not an e-commerce upstart visible only on the web and when the delivery man arrives.

Amazon’s home-town paper, *The Seattle Times*, put it this way in an editorial earlier this month:

“Amazon, which ambitiously named itself for the biggest river on Earth, has become what its name implies. It is the Internet’s widest and deepest source of products, which makes it too big to be excused from its obligations.

Amazon is going to lose this fight. It knows this. It is trying to drag its feet as long as it can because it is profitable to do so.”

The Seattle Times

Amazon should pay sales taxes to California and Texas

The Seattle Times
Thursday, March 3, 2011

The Seattle Times editorial board criticizes Amazon Inc. for trying to avoid charging sales tax to its customers in California.

AMAZON.COM Inc. now threatens to cut off its California associates to avoid paying California sales tax on the company's sales to customers there. This follows Amazon's announcement that it is closing a distribution center in Texas rather than pay Texas sales tax on its sales to people in Texas.

The Seattle Times wishes success to Amazon, seeing that it is in our state and even in our very neighborhood. But we do not approve it continuing to dodge this tax. Amazon is taking an irresponsible position.

Amazon is essentially a mail-order retailer. These have been around for more than a century. When they sold across state lines they did not charge sales tax because no federal law made them, and because of the paperwork in calculating the tax.

All that was fine as long as sales taxes were tiny and mail order was not a significant competitor to free-standing stores. And that has changed. Amazon is a giant. It has helped drive hundreds, and maybe thousands, of bookstores out of business. The Internet retail industry already has a cost-of-real-estate advantage over free-standing stores. It should not have a tax advantage as well. On its face, such an advantage is wrong.

We have said it before and will say it again: Amazon will have to pay. Someone will twist this company's arm. Maybe it will be California, maybe it will be Texas, maybe it will be all the states and maybe it will be the federal government. It will happen, and Amazon will survive it.

Los Angeles Times

Don't buy Amazon's argument, California

The giant online retailer, which has refused to collect state sales tax for online sales, shouldn't be asking California voters to use their ballots to sustain its business advantage.

Editorial

Los Angeles Times

July 22, 2011

Any action of the Legislature can be overturned by voter referendum — almost. The state Constitution explicitly exempts tax measures. So how can Amazon.com circulate petitions to overturn ABx1 28, the law that requires online retailers to collect sales taxes on purchases made by California consumers?

Simple: The so-called Amazon-tax law isn't a tax at all. It doesn't impose any new obligation on Californians, who have been required for decades to pay sales taxes on goods purchased from out-of-state sellers. The law that has driven Amazon to such fits governs solely whether the tax gets added to the bill at checkout or, instead, the buyer bears the full legal burden of calculating and remitting the tax.

Amazon and other online retailers may claim that it's just too hard and too expensive for them to figure out the different sales taxes levied by each state, but of course what they really don't want to lose is the tax-cheat business model that gives them a bottom-line advantage over their brick-and-mortar counterparts.

The current dust-up has a definite upside: Many California consumers who previously knew nothing about their online sales tax liability can no longer plead ignorance. No thanks to any education campaign from the elected Board of Equalization, which is supposed to collect the so-called use taxes (sales taxes on purchases from out-of-state sellers), in-state buyers should now know that they owe the tax, whether or not the Amazons of the world obey the law and put it on their bills.

Now that buyers are becoming aware of their obligations, Amazon no doubt would like them to view its campaign as part of the tax-revolt tradition. But Proposition 13 lowered property taxes for everyone who owned real estate. The recall of Gov. Gray Davis resulted in lower car taxes for everyone who drives. Amazon's campaign to protect its blame-the-buyer business model is instead the latest in a line of corporate attempts to swindle California voters into boosting their businesses at the expense of others. Take, for instance, last year's Mercury Insurance initiative (Proposition 17), which would have allowed auto insurers to offer some consumers deep discounts — by jacking up rates on drivers new to the market. Or Pacific Gas & Electric's so-called Taxpayers' Right to Vote Act (Proposition 16), to make it harder for public utilities to compete. Or the Alternative Fuels Initiative (Proposition 10), which stood to enrich already rich Texas oilman T. Boone Pickens.

Amazon chose the courts as the forum in which to fight other states' efforts to get online retailers to add sales taxes. That's the right place for a constitutional challenge. In the meantime, it is asking California voters to use their ballots to sustain its business advantage. That's a move that even Californians who have gotten used to (and gotten away with) not paying their taxes on Internet purchases ought to reject.

Chicago Tribune

... for e-tailers, too

Chicago Tribune
January 24, 2011

It's nostalgic to recall the early days of e-commerce, when forcing online retailers to collect sales tax would have threatened their tenuous business models. These days, online giants dominate some retail categories. So it's time the Amazon.coms compete on a level playing field.

As it stands, Amazon and other big e-tailers don't collect Illinois' 6.25 percent sales tax on products they sell here. By law, individuals are supposed to report their Web purchases on state returns, but enforcement is impractical.

Now the General Assembly has approved a so-called Amazon tax, which awaits Gov. Pat Quinn's signature. This bill has nothing in common with the outrageous income-tax hike Quinn signed into law.

Rather, it's a sensible step toward what we hope will be a more equitable resolution: This loophole ideally should be closed by federal legislation that provides a sound legal footing and simplifies disparate tax codes. But various bills have gone nowhere on Capitol Hill over the years, leaving cash-strapped states with little choice but to proceed on their own.

The new law would, though, thrust Illinois into an unsettled question: Under the Commerce Clause of the U.S. Constitution, it's not clear that Amazon or other out-of-state e-tailers can be forced to play tax collector the way state officials intend.

Companies selling over the Internet already collect tax if they have a physical presence in the state. That covers brick-and-mortar retailers such as Borders or Barnes & Noble. New York and several other states have imposed the same rules on Seattle-based Amazon and similar online retailers by claiming that their relationships with local marketing affiliates amount to an in-state presence. The Illinois legislation follows that approach.

Amazon has vowed to fight these measures, in part by cutting off its affiliates, which collect a share of the sales they send to the retailer. At least one, CouponCabin.com, has threatened to leave Illinois if Quinn signs the bill.

Quinn should sign anyway. That will encourage California and other states on the fence to follow through with similar legislation, which in turn will force online retailers to reconsider their scorched-earth threats. Pressure will mount for the federal solution we need.

No one here relishes the idea of a new business tax. On the surface, it sends the wrong message, especially from a state legislature with such a horrendous record of thwarting job creation.

But many Illinois businesses, including the Illinois Retail Merchants Association, want this law for simple fairness. They're right. Amazon and its kin rack up hundreds of millions in sales from Illinois residents. Why should e-tailers get a price advantage over competing stores that are compelled by law to collect sales tax?

When a shopper decides to buy a book, uneven tax policy shouldn't determine who makes the sale.

Editorial: Texas is right to pursue Amazon for uncollected sales taxes

Dallas News

Thursday, February 17, 2011

It defies logic that a book bought online can elude sales tax while the same book bought in a bookstore can't. A sales transaction is a sales transaction, and if one is taxed, why shouldn't the other be taxed as well?

The reality is that *both* transactions are *supposed* to be taxed, but online retailers such as Amazon often don't comply because loopholes in federal and state laws make it impractical for states, cities and counties to collect the money they're owed. So some online retailers enjoy a sales advantage over the corner shop.

The Texas Legislature and Congress need to do something to level that playing field.

Last week, this insanity came to a head in a political firestorm over online sales taxes that Texas says Amazon owes. Instead of paying the \$269 million bill, the online retailer petulantly closed its Irving distribution facility, tossing more than 100 people out of work. Gov. Rick Perry quickly lamented the loss of jobs and then turned his criticism toward Texas Comptroller Susan Combs for her handling of the tax dispute.

Wisely, Combs isn't backing down. Amazon, which has waged similar legal battles in other states, isn't the only online retailer pushing the limits of the law.

In general, sellers who have a "physical presence" in Texas are responsible for collecting sales tax on online transactions with Texas customers. Amazon, however, claims its warehouse doesn't count as a "physical presence" because a company subsidiary owns the facility and doesn't sell to walk-up customers.

Using tactics such as these to avoid collecting sales tax for online transactions costs states about \$7 billion a year; Texas' part of that is about \$600 million annually. Those are dollars cities and states could use to balance budgets and provide services.

Most of this problem would evaporate if states streamlined and unified the way their tax codes treat sales tax on online transactions. Congress could then vote the agreement into federal law and help the states establish a more precise national definition of what constitutes a "physical presence" for sales-tax collection purposes.

Until that happens, Combs is right to try to collect sales tax from Amazon and protect brick-and-mortar stores in Texas from unfair competition. State Rep. Elliott Naishtat, D-Austin, recently proposed legislation, HB 1317, to make it harder for companies to skirt the "physical presence" standard. This newspaper hopes the measure prods the Legislature to seriously review the sales tax dilemma. While it is not the total answer, it's a reasonable starting place for the discussion.

As online commerce increases, Texas mustn't come out on the short end of receiving its fair share.

Step in the right direction

HB 1317 would declare that a retail operation is engaged in business in Texas if it:

enters into an agreement with a Texas resident who receives a commission or other consideration for directly or indirectly referring potential customers to the retailer by any means, including by a link on an Internet website and

receives at least \$10,000 in cumulative gross receipts from sales to consumers located in this state who were referred to the retailer by residents under agreements.

THE DAILY CALLER

It's time to level the sales-tax playing field for small businesses

*By Betsy Burton
August 22, 2011*

A national debate about sales tax fairness has arisen out of some states' efforts to introduce sales-tax parity between brick-and-mortar stores and online retailers like Amazon. It's high time we had this debate.

For years, governments have forced small, community-oriented retailers to collect sales taxes at the point of purchase while retail giant Amazon has been exempt. The result? Amazon enjoyed record revenues last quarter while small businesses shuttered their retail outlets at a record pace, leaving vacant downtowns where business districts once thrived.

It should never be government's role to choose retail winners and losers. But that happened when Borders — once an Amazon competitor — closed its doors last month, leaving thousands of Americans unemployed.

Amazon claims its great fortune is the result of a better business model. It's actually the result of terrible public policy that "distorts the economy, because it means that Internet-based companies do better for reasons unrelated to their ability to provide good products to consumers at low cost," according to conservative columnist Ramesh Ponnuru of National Review.

Amazon relies on a good deal of misinformation to sell its story to elected officials and the public.

For example, Amazon claims forcing it to collect sales taxes, as other retailers are required to do, would amount to a tax increase. Not true.

State sales taxes are due on every purchase made online. But because Amazon is exempt from collecting it, the burden falls on the customer. That's right: You owe taxes to your state government every time you purchase a book online. If you haven't reported those purchases on your tax return and paid the sales taxes to your state, you — not Amazon — are in violation of tax law.

This tax regime artificially inflates the cost of consumer goods at small retail shops. As South Carolina Gov. Nikki Haley told Amazon during a May press conference, "Don't ask us to give you sales tax relief when we're not giving it to the book store down the street, or we're not giving it to the other stores on the other side of town; it's just not a level playing field."

The Wall Street Journal recently reported that this tax disparity is so elemental to Amazon's business that it forces employees to go to bizarre lengths to avoid what it calls "bad states" — states that would force Amazon to collect their sales taxes.

What's the best way to reform tax laws, level the playing field, and make a pro-business outcome more likely? States should push for sales tax equity by requiring Amazon to collect the tax at the point of purchase — Amazon already does this in other countries — and then use the new revenue to lower sales tax rates across the board, for everyone.

State and Local Government Sales Tax Revenue Losses from Electronic Commerce¹

By

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April 13, 2009

¹ The authors are grateful to Scott Peterson of the Streamlined States Governing Board and an advisory committee including Lorrie Brown, Bart Hildreth, and Jerry Johnson. We also thank Charlie McClure for his helpful comments.

Table 5: Total State and Local Sales and Use Tax Revenue Losses from E-Commerce Sales (\$millions)

	Baseline Scenario						Total
	2007	2008	2009	2010	2011	2012	
Alabama	108.3	115.5	103.9	128.9	151.6	170.4	778.6
Alaska	1.0	1.0	0.9	1.1	1.3	1.5	6.8
Arizona	235.2	250.8	225.6	279.8	329.0	369.8	1,690.3
Arkansas	72.4	77.2	69.5	86.2	101.3	113.9	520.4
California	1,211.2	1,291.6	1,162.1	1,441.1	1,694.4	1,904.5	8,704.8
Colorado	109.9	117.1	105.4	130.7	153.7	172.7	789.5
Connecticut	40.6	43.2	38.9	48.3	56.7	63.8	291.5
District of Columbia	22.6	24.1	21.7	26.9	31.6	35.5	162.5
Florida	511.2	545.1	490.4	608.2	715.1	803.8	3,673.9
Georgia	260.9	278.2	250.3	310.4	365.0	410.3	1,875.2
Hawaii	38.2	40.7	36.6	45.4	53.4	60.0	274.2
Idaho	29.5	31.4	28.3	35.1	41.2	46.4	211.9
Illinois	322.3	343.7	309.3	383.5	450.9	506.8	2,316.6
Indiana	124.2	132.5	119.2	147.8	173.8	195.3	892.8
Iowa	56.4	60.1	54.1	67.1	78.9	88.7	405.3
Kansas	90.9	96.9	87.2	108.1	127.1	142.9	653.2
Kentucky	69.9	74.6	67.1	83.2	97.8	109.9	502.5
Louisiana	251.8	268.5	241.6	299.6	352.2	395.9	1,809.5
Maine	20.4	21.7	19.6	24.3	28.5	32.1	146.6
Maryland	117.1	124.9	112.4	139.3	163.8	184.1	841.6
Massachusetts	83.5	89.0	80.1	99.3	116.8	131.3	600.0
Michigan	90.0	96.0	86.3	107.1	125.9	141.5	646.7
Minnesota	149.6	159.6	143.6	178.0	209.3	235.3	1,075.3
Mississippi	85.8	91.5	82.3	102.1	120.0	134.9	616.5
Missouri	134.0	142.9	128.6	159.4	187.5	210.7	963.0
Nebraska	39.0	41.6	37.4	46.4	54.6	61.3	280.4
Nevada	107.4	114.6	103.1	127.8	150.3	168.9	772.1
New Jersey	128.8	137.3	123.5	153.2	180.1	202.5	925.5
New Mexico	76.6	81.7	73.5	91.1	107.2	120.5	550.5
New York	550.4	586.9	528.1	654.9	770.0	865.5	3,955.7
North Carolina	136.0	145.0	130.4	161.8	190.2	213.8	977.1
North Dakota	9.8	10.4	9.4	11.6	13.6	15.3	70.1
Ohio	195.8	208.8	187.9	233.0	274.0	307.9	1,407.5
Oklahoma	89.5	95.5	85.9	106.5	125.3	140.8	643.5
Pennsylvania	220.0	234.6	211.0	261.7	307.7	345.9	1,580.9
Rhode Island	18.5	19.7	17.7	22.0	25.8	29.0	132.7
South Carolina	79.2	84.5	76.0	94.2	110.8	124.5	569.3
South Dakota	18.9	20.2	18.2	22.5	26.5	29.8	136.1
Tennessee	261.3	278.6	250.7	310.9	365.5	410.8	1,877.7
Texas	553.6	590.3	531.1	658.6	774.4	870.4	3,978.3
Utah	56.3	60.0	54.0	66.9	78.7	88.5	404.3
Vermont	16.0	17.0	15.3	19.0	22.3	25.1	114.8
Virginia	131.6	140.4	126.3	156.6	184.1	207.0	946.0
Washington	179.3	191.2	172.0	213.3	250.8	281.9	1,288.7
West Virginia	32.2	34.3	30.9	38.3	45.0	50.6	231.4
Wisconsin	90.4	96.4	86.7	107.6	126.5	142.1	649.7
Wyoming	18.2	19.4	17.5	21.6	25.4	28.6	130.7
TOTAL	7,245.6	7,726.3	6,951.4	8,620.4	10,135.8	11,392.7	52,072.2