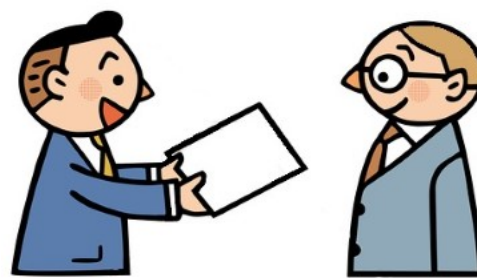




AMAZON TO TURN OVER FBA SELLER INFORMATION IN CALIFORNIA



In 2017, The California Department of Tax and Fee Administration (“CDTFA”) notified Fulfilled by Amazon (“FBA”) sellers that if they had inventory sitting in an Amazon warehouse in California, the seller had nexus with the State of California. Therefore, the seller is required to collect and remit sales tax on taxable sales to California purchasers. While unknown at the time, this contact by California could have been foreshadowing of things to come.

Just last month, Amazon notified FBA sellers that it will be turning over certain information to the CDTFA by November 6. This information includes the seller’s name, address, email, and identification number.

Amazon has stated that "it received a valid and binding legal demand from the California Department of Tax and Fee Administration (CDTFA) requiring that Amazon disclose the following information about your business in 2017:

- Contact information (name, address, and email)
- US Taxpayer identification number

To comply with our obligations under the law, we plan to provide this information to the CDTFA by November 6, 2018. In many cases, sellers who register and file taxes in California already provide information on their Amazon business as part of their tax filings. Because each seller’s business and tax needs are unique, we encourage you to consult with a tax advisor to answer any questions you may have."

Having inventory in the State of California creates a physical connection to the State and a requirement to follow the State’s sales tax laws. However, the notice does not say that Amazon is just turning over seller information with inventory in California; Amazon is potentially turning over information regarding *all* FBA sellers. Currently, California does not have an economic nexus law on its books. However, in light of the *South Dakota v. Wayfair* case where the US Supreme Court ruled it was constitutional for a State to require a seller to collect sales tax simply based on the number and amount of sales into a State, requiring Amazon to turn over FBA seller information could yet be another foreshadowing of things to come. If you currently make sales into California, and are unsure of the proper sales tax rules to follow, contact us at Sales Tax Defense LLC before the state of California contacts you!

SOMETIMES OFFICE OF COUNSEL NEEDS TO GET INVOLVED



An accountant was representing a restaurant in its sales and use tax audit being conducted by the NYS Department of Taxation and Finance. Disagreeing with the auditor’s assessment, the accountant went to the first appeals level within the Tax Department, the Bureau of Conciliation and Mediation Services. The tax was reduced but penalties remained. The owner felt that the tax amount was still unreasonably high and that there was no cause to impose penalties. The accountant recommended that the owner hire Sales Tax Defense to represent the restaurant in the next appeals level.

We submitted a petition to the NYS Division of Tax Appeals and the case was assigned to an attorney with Office of Counsel, who advocates for the NYS Tax Department. We worked up our calculations, put together our argument, and submitted it to the attorney. Within days the attorney contacted us, agreed to our tax amount and agreed to waive penalties as well. The case was immediately settled. Sometimes you just need Office of Counsel to get involved!

ABOUT THE FIRM



We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with Sales Tax Defense LLC encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, *WE ARE THE SOLUTION!*

CALL: **631-491-1500**

CONTACT US!

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"Thank you so much for everything. I'm grateful for your help and guidance and will refer you like crazy."

-Deborah, Business owner

MORE TESTIMONIALS

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