

Tax-free Internet shopping jeopardized by bill

April 23 2013, by Stephen Ohlemacher

Tax-free shopping on the Internet could be in jeopardy under a [bill making its way through the Senate](#).

The bill would empower states to require online retailers to collect state and local [sales taxes](#) for purchases made over the Internet. The sales taxes would be sent to the states where a shopper lives.

Under current law, states can only require stores to collect sales taxes if the store has a physical presence in the state. As a result, many online sales are essentially tax-free, giving [Internet retailers](#) a big advantage over brick-and-mortar stores.

The Senate voted 74 to 20 Monday to take up the bill. If that level of support continues, the Senate could pass the bill as early as this week.

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