

California governor signs internet sales tax law

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California's Democratic governor has signed a law requiring companies like Amazon and eBay to collect sales taxes on behalf of some out-of-state sellers.

The law comes after the U.S. Supreme Court ruled last year states can collect [sales taxes](#) from companies even if the company is based outside of the state's borders.

After the ruling, existing [state law](#) required sellers with at least \$100,000 of sales in California to register as a retailer and collect taxes. The law Gov. Gavin Newsom signed on Thursday requires companies like Amazon and eBay to collect the taxes on behalf of those retailers, but only if they have at least \$500,000 of annual sales in California.

State officials predict the law will generate an extra \$759 million in state and local taxes by 2021.

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