

Amazon says tax delay will save jobs

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Amazon on Monday said legislation allowing online retailers to delay for one year the collection of sales tax in California would save jobs and provide time for a national law to be drawn up.

Debt-stricken California desperately needs revenue but a bill that could compel [online shoppers](#) to pay tax for the first time has been vigorously opposed by sellers and a deal struck Friday seems likely to see it postponed.

The compromise draft law, allowing for a delay on collection, was seen as necessary to avoid a battle with retail giant Amazon and limit the impact for [politicians](#) keen to maintain the support of voters opposed to another tax. (c) 2011 AFP

"This bipartisan, win-win [legislation](#) will allow Amazon to bring thousands of jobs and hundreds of millions of investment dollars to California, and welcome back to work tens of thousands of California-based advertising affiliates," Amazon said in an email response to an AFP inquiry.

"This legislation also will allow us to continue to work with Congress and the states to obtain a federal resolution to the [sales tax](#) issue as soon as possible," the statement concluded.

A law requiring all online retailers to start collecting taxes from California sales could generate as much as \$200 million annually for the state, according to its author, Assemblyman Charles Calderon.

The compromise bill, now with California Governor Jerry Brown, would put off the implementation of the "Amazon Tax" until September of next year.

Seattle-based Amazon severed connections with "associates" in California and launched a campaign to have voters strike down the original legislation with a state ballot [referendum](#).

Calderon, however, said Amazon should pay up like regular retailers.

"Amazon needs to understand that this is not a new tax," he said after the Internet retailer set out to have the sales tax law repealed.

"It is time that California ensures that out-of-state, online-only retailers with a presence in the state have the same requirements for collecting sales taxes as businesses," he added.

Federal law regarding sales tax collection for online sales would override legislation in US states.

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