

Amazon announces new Indiana distribution center

27 March 2012

(AP) -- Amazon.com Inc. announced plans Tuesday for a \$150 million warehouse and distribution center in southern Indiana after state officials gave the online retailer two more years before it has to start collecting sales taxes from customers.

Seattle-based Amazon said the center in Jeffersonville is expected to open this fall and could have some 1,000 employees by 2015.

Construction began last month at the site just north of Louisville, Ky., but the company and state and local officials had previously declined to confirm Amazon's involvement with the project.

Work on what will be Amazon's fifth large facility in Indiana started just weeks after Republican Gov. Mitch Daniels announced in January an agreement under which Amazon would begin collecting the state's 7 percent sales tax from customers in the state in 2014.

Many Indiana retailers - and some Republican legislators - objected to the deal, saying it put traditional stores at a price disadvantage and that the tax collections should begin sooner.

The state struck a deal with Amazon in 2007 under which the [online retailer](#) would open its first warehouse in Indiana with the promise that state lawmakers wouldn't immediately push for online sales tax collection.

"This is Amazon's fifth Indiana facility, and the company is employing thousands of Hoosiers," Daniels said in a statement announcing the Jeffersonville center. "We're grateful for every one of those jobs."

Amazon currently has distribution centers in Indianapolis and the suburban communities of Whitestown and Plainfield, but the company hasn't given details on how many workers it has at those

sites. Amazon spokeswoman Mary Osako said the 1,000 positions would be full-time, year-round jobs but she would not disclose the potential pay range for the new employees.

The Indiana Economic Development Corp. said it will give Amazon up to \$2 million in performance-based tax credits and up to \$300,000 in training grants based on the company's job-creation plans for the Jeffersonville center.

The warehouse is being built at an industrial park on the site of the former Indiana Army Ammunition Plant, where military munitions were made until the Pentagon closed it in 1992.

"Indiana is home to thousands of Amazon employees, and we look forward to bringing additional jobs to the state this fall," Dave Clark, an Amazon vice president, said in the announcement statement. "We're grateful to [state officials](#) for their business-friendly approach, which supports our continued expansion in Indiana."

The State Budget Agency estimates uncollected online [sales taxes](#) at \$75 million a year, while a state Senate budget leader has said it could be as much as \$250 million.

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