

California governor signs internet sales tax law

26 April 2019



Credit: CC0 Public Domain

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.

© 2019 The Associated Press. All rights reserved.

APA citation: California governor signs internet sales tax law (2019, April 26) retrieved 16 September 2019 from <https://phys.org/news/2019-04-california-governor-internet-sales-tax.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.