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Not too long ago, I wrote about [“the problem with online sales tax”](#) on our CPATechViews blog. There’s a long-reaching history with states wanting to get revenue from sales to their residents when the merchant isn’t in that state. It started long before the internet (think mail order catalogues), but e-commerce has certainly aggravated the situation.

It always comes down to nexus- whether a merchant has a physical presence in a jurisdiction. And so, over the past few years, the states have been trying various ways to redefine nexus, and the term *physical presence*, as well.

In its latest effort, [California has taken an approach](#) similar to one recently taken by New York: Redefining “physical presence” to include merchants who have affiliates there. [Amazon](#) is not happy, and calls the law unconstitutional, because they say they don’t have a physical presence there (the company is headquartered in Seattle, Washington, and maintains its servers elsewhere, as well.) But quite obviously people in California are buying stuff from Amazon. If these were the only factors, it would be pretty clear that the consumers would be responsible for self-reporting use tax (good luck there).

*[Read more of this article on our CPATechViews blog.](#)*

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