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entrepreneurs in the state.

Aug. 16, 2013

A sales tax dispute between Amazon and Missouri has landed on online entrepreneurs in the state.

They are an uncounted cadre of Amazon Associates.

You've likely read their blogs on all sorts of topics or considered their online product reviews of books and other products. If you followed one of their links to Amazon.com and bought something — anything — they collected a commission.

No more, and Amazon's blaming a new Missouri new law that takes effect next week. It subjects those online transactions to sales taxes, and Amazon is trying to sever the ties.

As of Tuesday "we will no longer pay any advertising fees for customers referred to an Amazon site after August 27," the retailer notified its Amazon Associates in emails Wednesday evening.

An Amazon spokesman acknowledged the email but declined a request for an interview.

"This happened in a lot of other states," said Jared Akers of Lee's Summit. "I thought Missouri was going to be safe from this whole thing."

Instead, Akers stands to lose the little bit of money he makes on the side from 30 websites he operates and signed up as Amazon Associates. For example, his bestrunningwatchreview.com site offers experiences and thoughts about watches and shoes for runners.

Most of the images there link to Amazon. The retailer rewards him and other

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nexus to Missouri.

Missouri's July 5 law sets new ways that an online retailer like Amazon does have a nexus, or connection, here.

One creates that nexus if the retailer relies on another company to uses its warehouse, distribution center or other facility here or otherwise significantly help the retailer "establish and maintain a market in the state," said a report on the new law from PricewaterhouseCoopers LLP.

The report said the law also establishes a "'click-through' nexus" when a Missouri resident refers customers to the retailer to the tune of at least \$10,000 of sales in 12 months.

Akers said that threshold easily catches him up in the sales tax debate, though he's not blaming Amazon for not wanting to collect.

"I'm upset at the states. They think they're going to get all this money. Maybe they are," Akers said.

Missouri, at least, is supposed to be collecting now. Residents who buy online free of sales taxes are supposed to send the state the equivalent amount under the use tax.

Fewer than 100 Missourians do that, said Rep. Jeremy LaFaver, a Kansas City Democrat. LaFaver co-sponsored a bill that turned into the nexus changes that became law July 25.

Amazon's email to its associates in the state called the new law unconstitutional. LaFaver said the legislature did not hear from the company when the bill was being debated.

Though Missouri and Amazon disagree about the state's new law, both have their

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Missouri's legislature included the streamline agreement in the sweeping tax bill that Gov. Jay Nixon recently vetoed. There may be a vote to override his veto.

Passing streamlining would make sales tax collections voluntary for online retailers, said Amy Blouin, executive director of the Missouri Budget Project. Collections in Missouri would become mandatory if the federal legislation passed, Blouin said, leading to hundreds of millions of dollars in tax revenues to the state and localities.

And, at that point, Amazon's associates in Missouri are welcome back, according to the email they got from Amazon.

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