

# Supreme Court : Online shoppers can be forced to pay sales tax

**Associated Press** potentially before the Christmas shopping season — as states and retailers react to the court’s decision, said one attorney involved in the case. The Supreme Court’s 5-4 decision Thursday overruled a pair of decades-old decisions that states said cost them billions of dollars in lost revenue annually. The decisions made it more difficult for states to collect

sales tax on certain online purchases, and more than 40 states had asked the high court for action. Five states don’t charge sales tax.

The cases the court overturned said that if a business was shipping a customer’s purchase to a state where the business didn’t have a physical presence such as a warehouse or office, the business didn’t have to collect sales tax for the state. Customers were generally responsible for paying the sales tax to the state themselves if they weren’t charged it, but most didn’t realize they owed it and few paid.

Justice Anthony Kennedy wrote that the previous decisions were flawed.

“Each year the physical presence rule becomes further removed from economic reality and results in significant revenue losses to the States,” he wrote in an opinion joined by Justices Clarence Thomas, Ruth Bader Ginsburg, Samuel Alito and Neil Gorsuch. Kennedy wrote that the rule “limited States’ ability to seek long-term prosperity and has prevented market participants from competing on an even playing field.”

The ruling is a victory for big chains with a presence in many states, since they usually collect sales tax on online purchases already. Now, rivals will be charging sales tax where they hadn’t before.

Big chains have been collecting sales tax nationwide because they typically have physical stores in whatever state a purchase is being shipped to. Amazon.com, with its network of warehouses, also collects sales tax in every state that charges it, though third-party sellers who use the site don’t have to.

Until now, many sellers that have a physical presence in only a single state or a few states have been able to avoid charging sales taxes when they ship to addresses outside those states. Online sellers that haven’t been charging sales tax on goods shipped to every state range from jewelry website Blue Nile to pet products site Chewy.com to clothing retailer L.L. Bean.

Sellers that use eBay and Etsy, which provide platforms for smaller sellers, also haven’t been collecting sales tax nationwide.

Under the ruling Thursday, states can pass laws requiring out-of-state sellers to collect the state’s sales tax from customers and send it to the state. More than a dozen states have already adopted laws like that ahead of the court’s decision, according to state tax policy expert Joseph Crosby.

Retail trade groups praised the ruling, saying it levels

the playing field for local and online businesses. The losers, said retail analyst Neil Saunders, are online-only retailers, especially smaller ones. Those retailers may face headaches complying with various state sales tax laws, though there are software options to help. That software, too, can be an added cost. The Small Business & Entrepreneurship Council advocacy group said it will “create havoc for small businesses and the marketplace.”

Chief Justice John Roberts and three of his colleagues would have kept the court’s previous decisions in place.

“E-commerce has grown into a significant and vibrant part of our national economy against the backdrop of established rules, including the physical-presence rule. Any alteration to those rules with the potential to disrupt the development of such a critical segment of the economy should be undertaken by Congress,” Roberts wrote in a dissent joined by Justices Stephen Breyer, Elena Kagan and Sonia Sotomayor. The lineup of justices on each side of the case was unusual, with Roberts joining three more liberal justices and Ginsburg joining her more conservative colleagues.

The case the court ruled on involved a 2016 law passed by South Dakota, which said it was losing out on an estimated \$50 million a year in sales tax not collected by out-of-state sellers. Lawmakers in the state, which has no income tax, passed a law designed to directly challenge the physical presence rule. The law requires out-of-state sellers who do more than \$100,000 of business in the state or more than 200 transactions annually with state residents to collect sales tax and send it to the state.

South Dakota wanted out-of-state retailers to begin collecting the tax and sued several of them: Overstock.com, electronics retailer Newegg and home goods company Wayfair. After the Supreme Court’s decision was announced, shares in Wayfair and Overstock both fell, with Wayfair down more than 3 percent and Overstock down more than 2 percent.

South Dakota Gov. Dennis Daugaard called Thursday’s decision a “Great Day for South Dakota,” though the high court stopped short of greenlighting the state’s law. While the Supreme Court spoke approvingly of the law, it sent it back to South Dakota’s highest court to be revisited in light of the court’s decision.

The Trump administration had urged the justices to side with South Dakota. President Donald Trump was meeting with a group of governors Thursday and called the decision a “big, big victory” for them. The case is South Dakota v. Wayfair, 17-494.

# AG Hood calls internet sales tax ruling a “victory for our Main Street merchants”

“Today’s (Thursday, June 21) ruling is a victory for our Main Street merchants in Mississippi. It puts them on a level playing field with large, out-of-state and international corporations. We attorneys general have been extremely successful in convincing the United States Supreme Court that the United States Constitution protects the states from federal legislative and judicial overreach. I don’t think I have lost on any of these cases where huge international corporations try to use our Congress or federal courts to preempt state laws designed to protect our consumers and state laws.

“I have supported an internet sales tax from the beginning, not only because it will bring an estimated \$50 million in the first year for our state, but because this means our local brick and mortar stores are now on a level playing field with businesses that have no storefront in Mississippi. Before

Amazon and others started paying voluntarily, the estimated internet sales tax collection for Mississippi was \$134 million. Sales taxes from internet purchases from companies without in-state stores were already owed. It was just a matter of who collected it.

“We live in a digital age, and our laws must reflect that. Online shopping may be convenient, but it’s had a negative impact on our Main Street merchants who have always been required to charge a sales tax. When our local businesses suffer, so do we. Now, there’s no difference in someone walking into a store to buy shoes and sitting on their coach and doing the same thing from their phone. Today’s ruling makes it a fairer market and creates an opportunity for our cash-strapped state to bring in a new revenue stream to fix our deteriorating roads and bridges and fund our children’s education.”



As a youngster, there was one activity that characterized my summers – swimming. I loved to go to the public swimming pool and stay until my fingers and toes were wrinkled up like prunes. It was the place to be as a teenager in the late 70’s. Since there were no tanning beds, the girls would all show up with towels, tanning lotion, and a radio, and lay in the sun until the local DJ would give the cue to turn. The guys, on the other hand, would line up at the diving boards (which just happened to be by the girls) and take turns doing our best imitation of an Olympic diver. Unlike today, our swimming pool was equipped with both a high dive and a shorter one and there were always a couple of older guys who were willing to teach us younger ones the art of perfecting certain dives. I can remember learning full and half gainers, 1 ½’s, and of course all of the maneuvers that provided the biggest splash (These sort of determined male dominance among the girls.)

When I think about these special times, there are two things that come to mind. First, I always remember

the line to the high dive being much shorter than the one to the lower one. And I also remember all the times I flopped, crashed, and burned, trying to learn a new dive. I can still feel the stinging sensation from a flip gone awry. But I can also remember getting back in line and doing it again, and again, and again.

Now, fast forward from the Bee Gees and Boston, to Bublé and Beyoncé. Fast forward from a skinny youth with no tolerance for quitting no matter how much pain, to a plumper older guy who tends to refrain from any activity that requires both learning and pain.

Fast forward from a shivering boy on a high dive to someone who fights the temptation to linger around the lower, easier, and safer places of life.

Some would say I am older and wiser now, and that is true. But being older and wiser was never meant to keep me from scaling new heights and even from the occasional belly flop.

Being older and wiser is only meant to help me determine which pools I am meant to be spending my time swimming in.

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# West native named to Delta State honors list

The following Delta State University student is listed on the President’s List for the 2018 spring semester. For the honor, a grade-point average

from 3.75 through 4.0 is required of full-time students carrying at least 12 semester hours.

**Holmes County** - Jason Howard of West

## PUBLIC HEARING NOTICE FOR INITIAL HEARING

### Homeowner Rehabilitation/Reconstruction

The City of Durant, Mississippi is considering applying to Mississippi Home Corporation for funding through the HOME Investment Partnership Program-Homeowner Rehabilitation/Reconstruction. The State of Mississippi has allocated approximately \$ 7 million that will be made available to cities/towns /counties on a competitive basis to undertake homeowner rehabilitation/reconstruction activities.

The activities for which these funds may be used are in the areas of affordable housing for low and very low-income persons. More specific details regarding eligible activities, program requirements, and the rating system will be provided at a public hearing which will be held at the Durant City Hall located at 253 West Mulberry Street, Durant, Mississippi in the Board room on July 17, 2016 at 5:00 p.m.

The purpose of this hearing will be to obtain citizen input into the development of the application. The location for this hearing is a handicapped accessible facility. All comments are welcome and must be submitted in writing. If a translator is needed for non-english speaking persons. Please contact North Central Planning and Development District at 662-283-2675 at least 5 days prior to the meeting in an effort to accommodate this request.

## PUBLIC HEARING NOTICE CITIZEN PARTICIPATION

The Town of Goodman is considering applying for rehabilitation funds from the Mississippi Home Corporation (MHC) HOME Investment Partnerships Program- Homeowner Rehabilitation/Reconstruction Program. The State of Mississippi has allocated approximately \$7 million that will be made available to cities, and counties, on a competitive basis to undertake homeowner rehabilitation /reconstruction activities.

The activities for which these funds may be used are in the areas of affordable housing for low and very-low-income persons. The Town of Goodman proposes to apply for grant funds through the (MHC) HOME Rehabilitation Grant Program. More specific details regarding eligible activities, program requirements, and the rating system will be provided at a public hearing which will be held at the Town of Goodman City Hall located at 9912 Main Street, Goodman, Mississippi on Monday, July 16, 2018 at 5:00 pm.

The purpose of this hearing will be to obtain citizen input into the development of the application. The location for the hearing is a handicapped accessible facility. All comments are welcome and must be submitted in writing. If a translator is needed for non-english speaking persons, please contact John Wiggers at (662)283-2675 at least 5 days prior to the meeting in an effort to accommodate this request

The Town of Goodman does not discriminate on the basis of disability in the admission or access to or treatment or employment in its programs or activities.