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## Taxes and Amazon: Necessary debate

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Central Virginia welcomes Amazon.com to the neighborhood. The e-tailer's decision to open major distribution centers in Dinwiddie and Chesterfield ranks among the most encouraging news stories in the past year. The two centers will employ about 1,350 people.



An employee lifts a box at an Amazon.com fulfillment center, in Goodyear, Arizona. Amazon plans to open a center in Dinwiddie and in Chesterfield.

The development also has intensified a debate regarding Internet sales and taxes. Should commerce conducted online be subject to sales taxes? The Times-Dispatch says yes, although we concede the taxation process will not be simple.

The first thing to remember is that companies do not pay sales taxes. Rather, they collect taxes paid by consumers. The dilemma with Amazon is that businesses that do not collect sales taxes enjoy a competitive advantage over businesses that do. The issue transcends Amazon. Richmond eateries collect higher taxes on prepared foods than do their suburban counterparts. Many of them would like the city to lower its levies.

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A difficult question regarding Amazon asks where taxation should occur. At the point of sale, at the point of distribution, at corporate headquarters or at another point? A product ordered in Maine and delivered from a Virginia distribution center does not directly hurt business in Central Virginia. It may hurt a retailer in Bangor instead. A tax-free item bought by a Richmonder from a national Internet company likely does hurt a local company. The issue may require a national solution.

We patronize Amazon. Indeed, the demise of what used to be known as record stores means we order most of our music CDs from Internet sites. We also recognize that the online retailers that do not collect sales taxes enjoy an edge over local companies that do. The system is unfair, and cries out for correction. We anticipate commenting on the details as the debate proceeds.


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