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Amazon severing ties with online associates in Mo.

The Associated Press

KANSAS CITY, Mo. -- Online retailer Amazon is severing ties with its online associates in Missouri because of a new state law that subjects their transactions to sales taxes.

Amazon Associates write blogs or product reviews then link to Amazon.com, and collect commissions — between 4 percent and 8.5 percent — if people use that link to buy something on Amazon's site.

Amazon is blaming a new Missouri new law that takes effect next week subjecting those online transactions to sales taxes for its decision to sever the ties, the Kansas City Star (<http://is.gd/X0XZdE> ) reported.

The retailer notified its Amazon Associates in an email last week that, it will no longer "pay any advertising fees for customers referred to an Amazon site after August 27."

An Amazon spokesman acknowledged the email, sent Wednesday, but declined an interview request from the newspaper.

Under Missouri's former law, referred shoppers and other Amazon buyers were exempt from the state sales tax because Amazon didn't meet the state's legal definition of "engaging in business" or "maintains a business" in the state. Amazon doesn't have a physical operation in Missouri, such as a warehouse or distribution center, which, in legal language, means the company doesn't have a nexus to Missouri.

But Missouri's new law sets new ways that an online retailer like Amazon does have a nexus, or connection, in the state.

Rep. Jeremy LaFaver, a Kansas City Democrat who co-sponsored the bill, said the Missouri Legislature did not hear from Amazon when the measure was being debated.

Information from: The Kansas City Star, <http://www.kcstar.com>

Read more here: <http://www.miamiherald.com/2013/08/18/3570591/amazon-severing-ties-with-online.html#storylink=cpy>

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