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James Burns (jamesburns@gov.sc.gov) <jamesburns@gov.sc.gov>
Date: 4/24/2015 11:36:20 AM
Subject: RE: Click Through Nexus

Are there any new updates to the information below regarding S.170?
Can someone email us our concerns with the bill? We have a follow up call with Massey and Campbell this afternoon.
Thanks, KV

From: Mottel, Haley
Sent: Thursday, April 23, 2015 4:32 PM
To: Veldran, Katherine
Subject: Click Through Nexus

S.170 –Kimpson – Click Through Nexus – Crossed Over

- Bill imposes an obligation to collect sales and use tax on an out-of-state retailer that enters into an agreement with a resident of this state directly refers customers by internet link to the out of state retailers.
- Those retailers impacted are those which operate as a “click through” to remote retailers
- Only applies to retailers who have gross sales of \$10,000 in SC.
- There is an exemption for retailers who own, lease, or use a distribution facility in SC; however the bill’s effective date was pushed back to January 1 so as not to conflict with Amazon’s tax deal.
- Note: Overstock.com terminated its affiliate program in NY when this legislation was passed.
- Passed Senate 37-4 (Bright, Corbin, Fair, S. Martin)

DOR email about whether it was a backdoor carveout special legislation for Amazon:

I think the language was put in the legislation to prevent a conflict with previous legislation benefitting a large distribution facility. That benefit expires at the end of this year. The effective date of the legislation was changed to the end of this year to make sure there is no conflict. I hope this explanation helps. Please let me know if you need anything else.

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