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Commissioner

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## **Newegg Inc. Files Appeal Challenging ADOR's Regulation Requiring Remote Sellers to Collect Alabama Tax**

MONTGOMERY, June 15, 2016 – On June 9, 2016, Newegg Inc., a large online retailer of computer hardware and software and other electronics, filed an appeal in the Alabama Tax Tribunal challenging the Alabama Department of Revenue's recent regulation requiring large remote sellers to collect Alabama sales and use taxes, regardless of whether the seller has a physical presence in the state.

In response to decades of Congressional inaction, the regulation was designed to directly challenge *Quill v. North Dakota*, a case decided by the U.S. Supreme Court in the early 90s, and its requirement that a remote seller have physical presence in a state for the state to require the seller to collect its tax.

ADOR believes that the actions it has taken to require remote sellers to collect and remit Alabama tax will provide a proper case to the U.S. Supreme Court to consider the significant changes in the retail economy and in technology and to grant relief to the states from *Quill's* harsh effects.

"The effects of *Quill* have been detrimental to the states' revenues, have forced in-state retailers to operate at an unfair competitive disadvantage for decades, and have allowed online retailers who are clearly doing business in our state to evade collection responsibility," said Alabama Revenue Commissioner Julie Magee. "Until Congress acts, we will continue to lead the charge to overturn *Quill*."

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