

Dear Seller,

We are reaching out regarding the possible tax implications on some seller fees beginning June 1, 2019.

Some states consider specific Selling on Amazon fees such as per item, order, and refund fees as a taxable electronic service. Similarly, some states consider FBA inventory prep fees such as bubble wrap, polybag, taping and labels as taxable. Seller fees is not increasing however; you might see tax applied to some seller fees.

For more information regarding this change, refer to the FAQ below:

- What fees are taxable?

Selling on Amazon fees (based on your business location):

- Referral Fee
- Subscription Fee
- Variable Closing Fee
- Per-item Fee
- Promotion & Merchandising Fee
- Refund commission Fee
- Checkout by Amazon
- Sales Tax Collection Fee

FBA service fees (based on order fulfillment center):

- Labeling Fee
- Polybagging Fee
- Bubble wrap Fee
- Taping Fee
- Opaque Bagging Fee
- Repackaging Fee

The above list is some common seller fees. For a complete list of seller fees, refer to the following Help pages:

Selling on Amazon Fee Schedule: <https://sellercentral.amazon.com/gp/help/200336920>

FBA features, services, and

fees: <https://sellercentral.amazon.com/gp/help/G201074400>

- How will tax be calculated on my seller fees?

For Fulfillment services, the fulfillment center performing the taxable service will determine the tax rate.

For Selling on Amazon fees, the location of your business in a taxable state will determine the tax rate calculated.

- When does this begin and where can I see any tax collected on my seller fees?

Beginning June 1, 2019, Amazon will start collecting sales tax on taxable seller fees.

Tax collected will reflect with the order fee on the transaction details of your Payments Reports. Date range payment reports will continue to reflect the sum of fees per order.

- Can I opt out of using FBA fulfillment services that may be taxable?

FBA services are performed on your items when you elect to purchase these services from Amazon or when the packaging and prep requirements are not met. To manage your FBA settings and minimize FBA service fees by prepping your items before sending to an Amazon fulfillment center, visit Fulfillment by Amazon settings at https://sellercentral.amazon.com/gp/ssof/configuration/index.html/ref=xx_fbasettings_dnav_xx.

To learn more about packaging and prep requirements, refer to the Help page available at <https://sellercentral.amazon.com/gp/help/200141500>.

For more information on Amazon fees, please visit the Selling on Amazon Fee Schedule at <https://sellercentral.amazon.com/gp/help/200336920>.

Regards,

Amazon Seller Services