

# Have Attitudes About Online Sales Tax Changed?

Younger shoppers have stronger opinions

## ARTICLE |

**Krista Garcia**

In June 2018, the Supreme Court ruled that [states could impose a sales tax on ecommerce goods](#), even if a retailer had no physical presence in a state. The South Dakota v. Wayfair case reversed an online retail practice that had been accepted as law since 1992.

Over the past few months, more than half of states in the US have enacted an online sales tax or will do so in 2019.

Local governments viewed online sales tax as a boon, brick-and-mortar retailers considered it leveling the playing field, while online retailers — many which already paid sales tax — predicted it would be detrimental.

In an [Internet Retailer](#) survey conducted at the beginning of the year, 72% of retailers did not want the law to change, and 69% of respondents said collecting online sales tax would have a "very negative" effect on their business.

More than one-third (36%) of US internet users said they would shop less online if they had to pay sales tax, though the bulk of shoppers (55%) said it wouldn't impact their behavior.

In an April 2018 poll by [The Economist](#) and [YouGov](#), US internet users [were almost evenly split](#) among respondents who felt digital retailers

should collect sales tax (34%), those who disagreed (36%) and the undecided (30%).

Now that online sales tax is becoming a reality, are attitudes changing?

Not exactly, according to a new BDO survey. In the past year, 19% of US internet users said they bought from online retailers specifically to avoid paying sales tax. But a slight majority (51%) said they wouldn't change their shopping behavior if all states started collecting online sales tax, very similar to consumer sentiment in early 2018. Roughly one-third (32%) would change habits for some purchases, while 11% would shop differently for all items.

**Would US Internet Users Change Their Shopping Habits if All Digital Retailers Began Collecting Their State's Sales Tax Rate?**

*% of respondents, by age, Sep 2018*

	<b>Yes, for all items</b>	<b>Yes, for some items</b>	<b>No</b>	<b>I do not shop online</b>
18-34	16%	36%	43%	5%
35-44	13%	35%	49%	4%
45-54	9%	30%	55%	5%
55-64	5%	32%	55%	8%
65+	9%	24%	57%	11%
<b>Total</b>	<b>11%</b>	<b>32%</b>	<b>51%</b>	<b>6%</b>

*Note: numbers may not add up to 100% due to rounding  
Source: UnitedHealthcare, "Health Insurance Study" conducted by ORC International, Nov 8, 2018*

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Millennials were more likely to shop online to avoid paying taxes (25%) as well as change their shopping behavior for at least some products (35%). Gen X (34%) and baby boomers (28%) also said they would change some of their shopping behavior, but to a lesser degree.

These differences between internet users ages 37 and younger and older respondents could be due to millennials having less disposable income, as well as being digitally native shoppers who grew up with the idea that sales tax didn't apply online.

It's a little too soon to determine the potential financial repercussions of online sales tax. Hypothetical or not, there is valid concern for retailers about a near future with fewer online buyers.