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Can Larry Kudlow Please Explain To Genius Businessman Trump How Online Sales Taxes Work?

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If you're a person prone to bragging about your business acumen and the fact that you attended Wharton and that you built a billion-dollar empire (while forgetting to tell people Dad bankrolled it), then you should at least have a modicum of knowledge of how business works.

President Trump has it in for online retailers, notably Amazon. In reality, he has it in for Jeff Bezos because he owns The Washington Post. That's the bottom line. Trump hates The Washington Post and by extension, Bezos, which means he hates Amazon. The way Trump expresses his hatred is by showering us with his ignorance about business, especially as it relates to online retailers and sales taxes.

It's been an ongoing theme for Trump. He continually accuses online retailers of not paying taxes. He's referring to the collection of sales taxes. Online retailers do not have to collect sales taxes in a state where they do not maintain a physical presence. For example, Jeff's Surf Shop has a small factory, staff and distribution center in California and nowhere else. Mike, who lives in Florida, goes to the website and orders some surfing gear. The site charges Mike no sales tax because the surf shop doesn't have a physical presence in Florida. The sales tax still applies, but the payment is *Mike's responsibility*. Now, if the surf shop had a Florida distribution center, then they'd be responsible for charging and collecting the sales tax.

See how easy that is?

Yet, Trump, the ignoramus continues to get it wrong by claiming the online retailers don't pay taxes. The worse part is that many of his supporters believe him.

At the center of Trump's comments is an important Supreme Court case, *South Dakota v. Wayfair Inc.*, that may determine who must collect sales taxes for all such sales. The Cato Institute has an excellent summary here, as well as a link to their amicus brief in support of Wayfair.

Please, Larry Kudlow. Explain to Trump how it works. You're our only hope.