



North Carolina Law Life

ACLU Argues For Privacy of NC Amazon Customers

By: Donna Ray Chmura. *This was posted Wednesday, October 13th, 2010*

As reported in [TechJournalSouth](#) today:

RESEARCH TRIANGLE, NC – The [American Civil Liberties Union](#) heads to Federal Court in Seattle today to argue that North Carolina's request for information about purchases made by [Amazon.com](#) customers is unconstitutional and violates their rights to free speech, anonymity and privacy.

The [NC Department of Revenue](#) (NCDOR) contends that Amazon or its customers owe the state up to \$50 million in unpaid sales taxes. The state maintains it has not requested any personal information about Amazon customer purchases.

Amazon filed a lawsuit in April 2010 to halt the NCDOR from collecting personally identifiable information about its customers that could be linked to specific purchases on the Amazon site.

In June, the ACLU, ACLU of North Carolina Legal Foundation and ACLU of Washington intervened on behalf of seven Amazon customers.

The NCDOR has filed motions to dismiss both the Amazon and ACLU complaints. Amazon, in turn, filed a motion for [summary judgment](#).

TechJournalSouth has been reporting on the Amazon case for some time. We have talked with several Internet entrepreneurs who say that the dispute between the state and Amazon has already caused difficulties.

The state's position earlier led the online retailer to fire all of its Amazon Associates, because the state said having them created a physical presence in the state allowing it to collect sales taxes. That move means that some Internet startups have a tougher time developing that crucial early revenue necessary to attract seed or venture investments. Some online retailers who did significant business with Amazon simply pulled up stakes and moved to friendlier territory.

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The whole issue is fairly complex and some say it won't be solved until the Federal government intervenes to clarify rules regarding what constitutes a state's right to tax Internet retailers without a physical store or offices in the state.

Previous posts on this issue can be found [here](#) and [here](#).

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