



Overstock.com Supports No Regulation Without Representation Act of 2017

June 13, 2017

Company Urges Legislators to Resolve Cross Border State Tax Regulation

SALT LAKE CITY, June 13, 2017 (GLOBE NEWSWIRE) — [Overstock.com, Inc.](#) (NASDAQ:OSTK) spoke in favor of H.R. 2887, The No Regulation Without Representation Act, introduced by Rep. Sensenbrenner (R-WI) today.

The company added this bill to the list of "reasonable" federal legislation it supports to answer the increasingly contentious state tax measures designed to force remote retailers to collect local and state taxes, regardless of physical presence in the taxing state. The bill has the additional benefit of decreasing the burden of states' recent cross-border forays into other areas of interstate commerce regulation, such as in manufacturing, labeling and product sourcing. In recent years in the tax area, states have discriminated against remote internet retailers, attempting to force remote internet sellers into a different scheme of tax regulation, based on assessment of sales taxes at the residence of the purchaser, and not at the place of sale, as is the case in all of store-based, retail sales tax collection.

"The problem in the states was remote internet retailers to collect at the rates for the customers' residences and not at the cash register. This significantly complicates things," said Overstock Board member Jonathan Johnson. "Under the states' schemes of collecting at each customer's residence, a remote retailer faces a morass of more than 12,000 state and local tax districts—all with special, ever-changing provisions, and each with individual audit authority. Imagine being subjected to 12,000 tax audits!"

The U.S. Constitution allows states to conscript retailers into sales tax collection, but only if retailers have "physical presence" in the taxing state. By being present in the state, retailers get many state and local benefits and have a say in representation, but a remote retailer without physical presence gets no benefit and has no representation. Therefore, where a retailer lacks physical presence, U.S. Supreme Court decisions forbid states from forcing these retailers to collect sales tax. In recent years, states reluctant to shoulder the burden of tax collection, have become more aggressive in passing legislation stretching the definition of what constitutes "physical presence." Some have even unfairly assessed remote retailers for uncollected sales taxes, claiming after the fact, that remote retailers ought to have collected under these states' self-serving laws establishing new and unorthodox definitions of "physical presence." Additionally, some states openly flout Supreme Court precedents hoping to provoke Congressional action.

Maybe they now fear.

"The No Regulation Without Representation Act draws a clear line, codifying what states may and may not define as "physical presence," Johnson said. "It's reached the point where states consider virtually anything as physical presence. That's simply not the law, and the idea that a state-created, stretch-definition can regulate interstate commerce is not only repugnant to the U.S. Constitution, but poses a threat of state cross-border regulation in many other sectors as well."

While Overstock strongly opposes any expansion of states' cross-border regulatory powers, Overstock supports fair federal solutions to the states' tax collection problems. For many years, the company has worked on and supported Congressional measures to create a fair system to allow states to collect through remote internet retailers. The company supported both The Remote Transactions Parity Act of 2015, introduced by Rep. Jason Chaffetz (R-UT), and The Online Sales Simplification Act of 2016, circulated in a discussion draft last year by Rep. Bob Goodlatte (R-VA), Chair of the House Judiciary Committee. The company sees both these measures, as proposed, as offering states what they need, but not at retailers' expense.

Johnson said, "We can support these, and other measures like them, because they do the work of simplifying the impossibly complex, overlapping system of state tax collection. The successful solution must be fair and workable for states and retailers."

The company noted it strongly opposed the Senate-passed Market Place Fairness Act of 2013 because it talked the fairness test by having a discriminatory effect on remote sellers and it offered no real tax simplification.

About Overstock.com

Overstock.com, Inc. Common Share (NASDAQ:OSTK) (Series A Preferred Stock) (Verizon® platform) (DTNPI) (Series B Preferred) (STOCKS:OSTB) is an online retailer based in Salt Lake City, Utah that sells a broad range of products at low prices, including furniture, decor, rugs, bedding, jewelry, electronics, apparel, and more, as well as a marketplace providing customers access to hundreds of thousands of products from third-party sellers. Additional stores include [www.1stmonstr.com](#), dedicated to selling artisan-crafted products from around the world by giving them access to our national customer base. Forbes ranked Overstock in its list of the Top 100 Most Trustworthy Companies in 2014. Overstock regularly posts information about the company and other related matters under Investor Relations on its website.

O, Overstock.com, O.com, O.co, Club O, Main Street Revolution, Worldstock and CVillage are registered trademarks of Overstock.com, Inc. O 362 and Space Shift are also trademarks of Overstock.com, Inc. Other service marks, trademarks and trade names which may be referred to herein are the property of their respective owners.

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include all statements other than statements of historical fact. Additional information regarding factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in the Company's Form 10-K for the quarter ended December 31, 2016, which was filed with the SEC on March 3, 2017, and any subsequent filings with the SEC.

Media Contact:

Mark DeLoorpe

+1 (801) 947-3344

info@overstock.com

Investor Contact:

ir@overstock.com

 **overstock.com**

Overstock.com, Inc.