Introduction

Amazon was launched in a garage in 1994 and has since grown to serve hundreds of millions of customers around the world, including consumers, inventors, creators, developers, and small businesses that use Amazon tools and services to grow. Each year, we continue to invest billions of dollars to better serve our customers, invest in the communities in which we operate, and help local economies grow.

This report provides an overview of our business model, the substantial investments we make in the economy, and how those investments impact communities in countries across the world.

We also include our global tax principles, which outline our approach to tax globally. And we contextualize tax policy set by governments. We know taxes are an important part of Amazon’s economic impact, and in 2022, our global total tax contribution was $77.99 billion – $19.42 billion in taxes borne, and $58.57 billion in taxes collected.
Our products and services

We seek to be Earth’s most customer-centric company. We are guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking.

Our business now encompasses a large variety of product types and services offerings. This includes the products we sell to consumers through our online and physical stores, services we offer to third-party sellers to sell and fulfill their products, subscriptions like Amazon Prime, on-demand technology services through AWS, and advertising services.

Our online stores continue to generate the bulk of our revenue¹. However, this is a highly competitive, low-margin industry, and we continue to invest to meet the growing needs of our customers. This includes improving our website and online stores, growing our physical grocery business, and enhancing our operations network sites with the latest robotics technology.

We are also making investments in business areas where we see unique opportunity like Grocery, Healthcare, Amazon Business, Buy with Prime, and Kuiper.

Prime Video has expanded to offer a vast selection of movies and series, including Amazon Originals, and live sports, and AWS continues to invest in cloud infrastructure and build new products and services, including in artificial intelligence and machine learning.

These investments are critical for the long-term success of our business, but reduce our overall operating profit in the short-term, and consequently, the amount of corporate income tax we pay.

¹ See p.67 of Amazon’s Annual Report for further detail.

First-party retail sales: We sell products to consumers through our online and physical stores. This includes the products we manufacture ourselves (i.e., Fire TV Stick, Echo, Kindle) and the products we buy from brands and then sell to consumers.

Third-party seller services: We enable sellers to grow their ecommerce businesses, sell and export their products through our service, and fulfill orders through Amazon Marketplace. We continue to improve our store, and invest in tools and infrastructure, to enable sellers to reach more customers and grow their business.

Subscriptions services: Our subscription services include Amazon Prime memberships and access to content including audiobooks, digital music, eBooks, and digital video. We continue to invest in entertainment services for our customers, and Prime Video now offers a huge library of content.

Amazon Web Services (AWS): We offer a broad set of on-demand technology services, including compute, storage, database, analytics, machine learning, and other services.

Amazon Advertising: We provide a range of advertising services to help small businesses, brands, publishers, authors, and app developers connect with the right audiences in the right places—both on and off Amazon.
Our economic impact

We have invested in building our business, and Amazon has become a powerful engine of growth for the economy, strengthening communities where we operate through job creation, infrastructure investment, and small business growth.

We have invested billions of dollars to serve our customers, including more than $1 trillion in the United States and €215 billion in Europe, since 2010.

This includes both capital expenditures (such as corporate offices, customer fulfillment and cloud infrastructure, wind and solar farms, equipment, and machinery), and operating expenditures (such as wages and salaries, research and development expenses, and rent and utilities). These direct investments increase economic activity in a given region and create a ripple effect through the local economy as Amazon buys goods and services from local companies, enabling them to expand.

For example, when AWS constructs a data center, this investment is felt through job creation and retention, renewable energy projects, community engagement, and access to cloud training and education.

We now have around 1.4 million employees and thousands of sites and corporate offices, across more than 50 countries. For context, Amazon has created more U.S. jobs in the last decade than any other company. In addition to these direct jobs, our investment supports millions of jobs in our supply chain and across our network of third-party sellers, many of which are small and medium-sized businesses.

1.4m
Total number of employees

Corporate offices and sites in more than 50 countries
Two decades ago, we decided to open our stores to third-party sellers. This meant small and medium-sized businesses had the chance to reach hundreds of millions of customers and sell their products in Amazon’s stores across the world. It proved to be a great decision. Today, we have nearly 2 million small and medium-sized businesses selling on Amazon. Third-party sellers account for around 60% of all units sold in our online stores, and their sales continue to outpace our first-party sales.

Small and medium businesses (SMBs) selling in our online stores come from every state in the U.S., and more than 130 countries around the world.

When these sellers succeed in creating successful businesses in our store, they also create great jobs, and benefit their local economies. In 2022, Amazon sellers created 1.5 million jobs in the U.S. alone.

That’s why we continue to invest billions of dollars annually to provide entrepreneurs with a constantly improving set of tools and resources to help them gain access to capital, quickly launch in our store, and build their brands.

We are committed to the success of small businesses, and we are excited to continue innovating to help small businesses grow into thriving success stories.

We use our scale, technology, resources, and passion for invention as a force for good to support underserved community members, and to help the vulnerable when a crisis strikes.

For example, we have donated more than 20 million relief items to support people impacted by over 95 natural disasters in the U.S. alone. And in Europe last year, we repurposed two warehouses in Poland and Slovakia in just 10 days to provide Ukrainian refugees essential products. We also sent rugged computer storage devices known as “Snowballs” to Ukraine. These devices stored, secure, and transferred over 10 million gigabytes as part of our effort to help preserve the country’s critical data.

To help Ukrainians begin or grow a career in technology, AWS also launched IT Skills 4U, a free initiative to provide Ukrainians around the world with AWS Cloud skills training and career support services.

To find out more about our economic and community impact, please visit aboutamazon.com/impact.
Amazon’s tax principles

We know taxes are an important part of Amazon’s economic impact, and these tax principles are the foundation to our approach to tax globally.

**Principle 1**

Our business structure reflects operational considerations. We weigh all relevant costs—including taxes—and only take well-supported tax positions when deciding where and how we operate. Our intellectual property is held in the U.S., and we do not artificially shelter profits in tax havens.

**Principle 2**

We are committed to complying with all applicable tax laws and making timely and accurate tax filings in every country. When needed, we seek advice from outside experts to ensure compliance. We follow internationally accepted transfer pricing principles, including the arms-length standard from the Organisation for Economic Co-operation and Development (OECD)—or relevant local laws—to price our intercompany transactions.

**Principle 3**

We are collaborative with tax authorities. We understand the need for scrutiny. We are cooperative when engaging with tax authorities to explain our business, provide more transparency, seek certainty, and respond to inquiries, disclosing relevant facts and circumstances in those conversations.

**Principle 4**

We invest in systems and people to facilitate global tax collection. We collect sales taxes, value-added taxes (VAT), goods and services taxes, and other indirect taxes globally, on behalf of governments and our selling partners, using industry-leading tax collection and compliance systems. We recognize that the taxes we pay, and the taxes we collect, are an important part of Amazon’s economic impact in the communities we serve.

**Principle 5**

We support tax systems that are stable, principled, and administrable. We believe that tax codes should foster innovation, investment, job creation, and growth. We believe that tax laws should support a level playing field and fair competition among businesses in the consumer interest, and should not discriminate against specific industries. We believe that sound tax policy ultimately taxes every dollar of profit only once. We engage and collaborate with relevant policymakers to share knowledge and experiences across omnichannel retail, cloud computing, media content, devices, and many other relevant areas.
### What is total tax contribution?

Total tax contribution highlights all the taxes companies pay. The measure is built around two essential tax categories:

<table>
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<th><strong>Taxes borne:</strong></th>
<th><strong>Taxes collected:</strong></th>
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<tr>
<td>the taxes that are directly incurred and payable by Amazon, including employer taxes, property taxes, corporate income tax, and various gross receipt taxes.</td>
<td>the taxes we collect and remit from our customers, employees, and other third parties because of our business activities. These include sales taxes, value-added taxes, payroll taxes, and taxes we collect and remit on behalf of third-party sellers.</td>
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### Why is it important?

Total tax contribution is a globally recognized measure that gives a complete picture of a company’s contribution to government tax revenues. It’s important to remember that corporate income taxes only accounts for one element of how a company contributes to government tax revenues. Focusing on one aspect of taxation doesn’t tell the whole story.

As we continue to make investments, we help fund public services and infrastructure throughout the world. We do this through the taxes we pay on our business activities as well as the taxes we collect and remit on behalf of our customers, employees, and third-party sellers.

These different categories of tax are important because they are commonly used by governments across the world to generate revenue and fund public services.
Accelerated depreciation

We continually invest in our operations network, building and upgrading logistics sites, and investing in new machinery and technology to better deliver for customers. These investments have had a meaningful impact on our taxes in the U.S. and abroad. When a company invests in infrastructure and machinery, these costs ultimately reduce taxable profit. In order to encourage more investment, policymakers in the U.S. and internationally often provide so-called accelerated depreciation (or capital allowances) to companies, which allows companies to deduct costs more quickly. This allows us to take these deductions sooner than we otherwise could, meaning that we pay less in the short-term. However, this also means that we’ll take fewer deductions in the future and will pay this tax later instead. Ultimately, whether we take the deductions more quickly, or over time, the amounts are generally equal.

Contextualizing tax policy

Amazon has a different business model compared to many other “digital companies”. We primarily operate in retail, which is a competitive, low-margin industry, and our business requires significant physical asset investment to generate revenue. For example, we need to build fulfillment centers and hire thousands of staff to store, pack, and ship products to customers. These investments have an impact on the scale of our expenses, and ultimately, our taxable profits.

Most governments use their tax systems to actively encourage companies to invest in technology and infrastructure to grow economies, drive growth, and create greater employment opportunities. This is often achieved through research and development (R&D) incentives and accelerated depreciation, provisions typically available to all businesses.

Research and development

Governments often offer companies tax incentives, such as tax credits, to promote R&D investments. While this can have the effect of reducing corporate tax payments, this has helped many companies develop new advanced technologies that create jobs and improve customers’ lives; for Amazon this includes a range of products and services, from voice computing with Alexa to robotics and delivery logistics. Amazon has become one of the largest technology investors in the U.S., and we have built R&D and technology hubs (or development centers) across North America, including: Austin, Boston, Detroit, Minneapolis, Pittsburgh, Toronto, and Vancouver. In Europe, we now have more than 25 development centers in countries like; Belgium, Germany, and the UK. And in the Asia-Pacific (APAC) region we have technology experts based in a range of cities— from Bangalore to Tokyo— supporting our efforts in artificial intelligence, devices, our online stores, and more.
In the year ended December 31, 2022, our global activities resulted in a total tax contribution of $77.99 billion around the world. Our total taxes borne amounted to $19.42 billion. The total taxes collected and remitted to governments by Amazon amounted to $58.57 billion globally.

Amazon's total tax contribution across different regions reflects applicable tax laws and regulations and the size and relative maturity of our business. We are proud of the significant economic contribution we are making across the world, and we are excited by the positive impact that we are having in the communities we serve.

The regional breakouts principally consist of the following countries: (i) Asia-Pacific: Australia, India, Japan; (ii) Europe: France, Germany, Ireland, Italy, Luxembourg, Poland, Spain, United Kingdom; (iii) North America: Canada, Mexico, United States; and (iv) Other: Brazil, Israel. These are the countries where we have the largest presence, and account for > 98% of our global revenues in 2022.

The breakdown in tax types consist of the following: (i) Corporate income taxes: corporate income tax and withholding taxes; (ii) Employment taxes: employment taxes collected (payroll), employer taxes borne, social security contributions (collected and borne), and other significant employment taxes; (iii) Transactional taxes: sales taxes, net VAT, customs duty, various gross tax receipts, taxes on goods and services (borne and collected), as well as other use and consumption taxes; and (iv) Other: property taxes, real estate taxes, and other taxes.
To learn more about Amazon’s impact, visit:

AboutAmazon.com