



#### Overstock.com Says 'Yes' to New York Consumers, 'No' to New York's New Internet Sales Tax

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SALT LAKE CITY, May 15, PRNewswire FirstCall -- Overstock.com, Inc. (Nasdaq: OSTK) announced today that it has notified to more than 3,400 New York-based affiliate advertisers that as of June 1, 2008 they can no longer provide advertising for Overstock.com until either New York changes its controversial new internet consumer tax law or the courts say the law is unenforceable. On June 1, the controversial new law will require internet retailers to turn off their New York-based ad partners or collect an up to 9.5% sales tax from all New York internet customers.

"We love New York," said Patrick Byrne, Overstock.com's chairman and chief executive officer, "but New York's new tax law required us to choose between New York customers and New York ad businesses. In the end, we chose our customers. The governor and legislature of New York should understand that a tax is a price that a government charges for a service, and when the price of anything is raised, people (including us) buy less of it."

Ironically, at the very moment most tax payers across the country are getting their IRS stimulus rebate checks, the controversial New York law threatens to impose an up to 9.5% sales tax on New Yorker's internet purchases, including those resulting from cashing those checks.

Some e-retailers are signing up for the new tax by announcing that they will keep their ad structure as is and collect the tax. To its credit, Amazon.com is challenging the law in New York state court.

"We think the New York law makes no sense at all," said David Chibolar, Overstock.com's senior vice president of finance. "We have worked to assure that Overstock.com has as small a tax footprint as possible because of the benefits it provides to our customers. We have no taxable connection to New York that is recognizable under constitutional principals laid down by U.S. Supreme Court decisions, and we will keep that status, even if it means having to say goodbye to some long time New York business connections."

About Overstock.com

Overstock.com, Inc. is an online retailer offering brand-name merchandise at discount prices. The company offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory distribution channel. Overstock.com, headquartered in Salt Lake City, is a publicly traded company listed on the NASDAQ Global Market System and can be found online at <http://www.overstock.com>.

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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, but are not limited to, statements regarding a change in the new New York tax law and the company's tax nexus to New York. Our Form 10-K for the year ended December 31, 2007, our subsequent quarterly reports on Form 10-Q, or any amendments thereto, and/or our subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in our projections, estimates or forward-looking statements.

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