

A DETAILED BEGINNER GUIDE

Created by SimpleLifeCalc.com



AMAZON FBA FEES EXPLAINED SIMPLY

Every fee Amazon charges, what it actually costs you,
and how to know your REAL profit before you buy inventory.

WHAT'S INSIDE

- What FBA is & how Amazon makes money
- Referral & fulfillment fees decoded
- Storage fees (and the Q4 trap)
- Shipping, returns & advertising costs
- Hidden fees most beginners miss
- Complete real-product profit examples
- Fee calculator + planning worksheets
- Mistakes, money-savers & checklists

Plain English · Real numbers · Worked examples · Built for first-time sellers

Amazon updates fees regularly — always confirm current rates in Seller Central before making buying decisions.

SimpleLifeCalc.com

1 What Is Amazon FBA?

FBA stands for Fulfillment by Amazon. You send your products to Amazon's warehouses. When a customer orders, Amazon picks, packs, and ships it, handles customer service, and processes returns. Your products get the Prime badge — which is why most serious sellers use FBA despite the fees.

- **You do:** Find products, send inventory to Amazon, create listings, set prices.
- **Amazon does:** Storage, packing, shipping, Prime 2-day delivery, customer service, returns.
- **The trade:** Convenience and the Prime badge in exchange for a meaningful slice of every sale.

2 How Amazon Makes Money (From You)

Amazon charges you at every stage: a cut when you sell (referral fee), a charge to ship each order (fulfillment fee), rent while items sit in the warehouse (storage fees), and optional-but-usually-necessary advertising. Stacked together, expect Amazon to take roughly 30–45% of your selling price.

WHEN	FEE	TYPICAL AMOUNT*
Every month	Professional account subscription	\$39.99/month
When you ship TO Amazon	Inbound shipping + placement fees	Varies by weight & option
While it sits there	Monthly storage (per cubic foot)	~\$0.87 (Jan–Sep)
When it sells	Referral fee (% of price)	15% most categories
When it ships	Fulfillment fee (per unit)	~\$3.22–\$7+
If it's returned	Refund admin / processing fees	Varies
To get seen	Advertising (PPC)	Often 10–20% of sales

*US rates, mid-2026, rounded — every fee in this guide should be verified in Seller Central before you buy inventory.

TIP · The one rule of FBA

Calculate ALL fees before you buy a product — not after. The Amazon FBA Profit Calculator at SimpleLifeCalc.com helps estimate referral fees, fulfillment fees, storage costs, advertising costs, and overall profitability before sourcing inventory. This guide teaches you what the numbers mean.

3

Referral Fees (Amazon's Commission)

The referral fee is Amazon's cut for bringing you the customer — charged on EVERY sale, calculated as a percentage of the total sale price (item + any shipping/gift wrap the buyer pays). You pay it whether you use FBA or ship yourself.

Common category rates

CATEGORY	REFERRAL FEE	ON A \$30 SALE
Most categories (Home, Kitchen, Toys, Sports)	15%	\$4.50
Electronics	8%	\$2.40
Clothing & Accessories	5–17% (tiered by price)	varies
Beauty / Health (under \$10: 8%)	8–15%	\$4.50
Grocery (under \$15: 8%)	8–15%	\$4.50
Amazon Device Accessories	45%	\$13.50

There's also a minimum referral fee (typically \$0.30) — it matters only on very cheap items.

REAL EXAMPLE · Referral fee in action

You sell a silicone baking mat for \$24.99 in Home & Kitchen (15%). Referral fee = $\$24.99 \times 0.15 = \3.75 . That comes out before anything else — fulfillment, storage, ads, and your product cost all stack on top.

WATCH OUT · Beginner trap: category matters

The same product can sometimes fit multiple categories with different rates. Amazon assigns the category — check what YOUR listing is actually being charged in Seller Central reports, especially near tier boundaries like the \$10 beauty threshold.

GOOD TO KNOW

Quick math habit: for most products just multiply your price by 0.15. A \$20 item? \$3 gone. A \$50 item? \$7.50 gone. Before fulfillment even starts.

4

Fulfillment Fees (Pick, Pack & Ship)

The fulfillment fee is what Amazon charges to store-pick, box, and deliver each unit. It's based on your product's SIZE TIER and WEIGHT — not its price. This is why small, light products are the classic beginner recommendation.

Rough 2026 rates (standard-size, per unit)

SIZE / WEIGHT	EXAMPLE PRODUCT	FEE RANGE*
Small standard (≤ 16 oz)	Phone case, spice blend, cards	\$3.22–\$3.90
Large standard, ≤ 1 lb	T-shirt, kitchen gadget	\$3.90–\$4.75
Large standard, 1–2 lb	Water bottle, board book set	\$4.75–\$5.80
Large standard, 2–3 lb	Blender jar, yoga blocks	\$5.80–\$7.00
Oversize tiers	Furniture, large toys	\$10 to \$130+

*Plus a 3.5% fuel surcharge on the fulfillment fee (added April 2026). Exact rates: Seller Central fee schedule.

REAL EXAMPLE

That \$24.99 baking mat weighs 14 oz packaged → small standard → fulfillment fee $\approx$ \$3.65 + \$0.13 fuel surcharge = \$3.78. Combined with the \$3.75 referral fee, Amazon has taken \$7.53 — 30% of the price — before storage, shipping, or ads.

WATCH OUT · The size-tier cliff

Fees jump at tier boundaries. A product that's 16.5 oz packaged pays large-standard rates; trim half an ounce of packaging and it pays small-standard. Measure your PACKAGED size precisely — misclassification costs real money on every single unit, forever.

TIP

Before sourcing any product, check its exact packaged dimensions and weight, then look up the tier. Shaving packaging is the highest-ROI optimization in FBA.

5

Storage Fees (Rent for Your Inventory)

Every month, Amazon charges rent on the warehouse space your inventory occupies, measured in cubic feet. It feels tiny per unit — and becomes very real when you overstock or hit Q4.

PERIOD	STANDARD-SIZE	WHAT CHANGES
January – September	~\$0.87 / cubic foot / month	The calm season
October – December	~\$2.25 / cubic foot / month	Holiday rates $\approx 2.6\times$ higher

REAL EXAMPLE · What storage actually costs

1,000 baking mats, each 0.02 cu ft packaged = 20 cu ft. Off-peak: $20 \times \$0.87 = \$17.40/\text{month}$ — trivial. But 500 unsold oversized garden planters at 1.2 cu ft each = 600 cu ft $\times \$2.25$ in November = \$1,350 for ONE month. Size and season are everything.

6

Long-Term Storage (Aged Inventory Fees)

If inventory sits unsold past 180 days, Amazon adds an escalating monthly surcharge ON TOP of normal storage — it increases the longer items sit, and gets severe past 365 days. This is Amazon telling you: sell it, discount it, or remove it.

- Surcharges begin at 181+ days in the warehouse and step up in brackets from there
- At 365+ days the combined charges often exceed the product's profit entirely
- Check the Inventory Age report in Seller Central monthly — it shows exactly what's aging
- Before surcharges hit: run a discount, create a removal order, or let Amazon liquidate

TIP · The beginner-proof rule

Send SMALL first shipments — enough for 1–2 months of expected sales. You can always send more. You cannot un-send a pallet of slow-movers racking up aged-inventory surcharges.

7

Shipping Costs (Getting Inventory TO Amazon)

FBA fees cover shipping to the CUSTOMER. Getting your inventory to Amazon's warehouses is on you, and it has three layers:

- **1. Freight to you (or prep center):** From your supplier — by sea (cheap, slow) or air (fast, pricey). For imports, include duties/tariffs in your math.
- **2. Prep & labeling:** Products need barcodes (FNSKU labels), poly bags, or bubble wrap per Amazon's rules. DIY = cheap but slow; prep centers charge roughly \$0.50–\$1.50/unit.
- **3. Inbound to Amazon:** Amazon's Partnered Carrier program (discounted UPS rates inside Seller Central) is usually the cheapest small-parcel option.

The inbound placement fee (newer — don't miss it)

Amazon charges a placement fee (roughly \$0.20–\$1.60 per unit, by size) when you send everything to one warehouse and let Amazon spread it across the country. Send your shipment SPLIT across multiple warehouses yourself and the fee drops or disappears — Seller Central shows you both options and prices at shipment creation.

REAL EXAMPLE

Shipping 200 baking mats: supplier freight \$120 (\$0.60/unit) + self-prep \$0 + Partnered Carrier inbound \$38 (\$0.19/unit) + minimal-split placement option \$0.27/unit = about \$1.06 per unit to get each mat onto Amazon's shelf. That dollar comes out of profit — put it in your calculator.

WATCH OUT

Never eyeball inbound costs. Cheap products with expensive freight (heavy, bulky, air-shipped) regularly turn “\$5 profit” into \$1. Get real freight quotes BEFORE you commit to a supplier.

8

Returns (The Fee Nobody Budgets For)

Buyers return things — typically 5–10% of orders for most categories, higher for clothing and shoes. With FBA, Amazon handles the return physically, but several costs land on you:

- **Refund administration fee:** When you refund, Amazon keeps part of the original referral fee — the lesser of \$5.00 or 20% of the referral fee.
- **Returns processing fee:** Charged per returned unit for products with high return rates (and standard in apparel/shoes).
- **The product itself:** Returned units come back sellable, damaged, or not at all. Damaged units = removal/disposal fees or a write-off.
- **Fulfillment fee:** Not refunded to you in most cases — the shipping already happened.

REAL EXAMPLE · What one return really costs

Customer returns a \$24.99 baking mat. Amazon refunds them \$24.99 from your balance. You get back the \$3.75 referral fee MINUS 20% (\$0.75 kept by Amazon). The \$3.78 fulfillment fee is gone. The mat comes back warehouse-damaged → unsellable. Total cost of this single return: \$24.99 product value* + \$0.75 + \$3.78 — roughly \$9.50 in cash costs plus a lost unit. (*your cost in it, not retail)

TIP · Budget returns like a fee

Add a returns line to every product calculation: estimated return rate × average cost per return. For most products, setting aside 2–3% of revenue covers it. For clothing, budget 2–3× that.

GOOD TO KNOW

Accurate listings are return-prevention: exact dimensions, clear photos, honest descriptions. Every prevented return is pure margin saved.

9

Advertising Costs (Pay-Per-Click)

New products start on page 10 of search results, where no one looks. Amazon PPC (Sponsored Products) is how new sellers get seen: you bid on keywords, and pay only when a shopper **CLICKS** your ad — typically \$0.50–\$2.50+ per click depending on competition.

The two numbers that matter

- **ACoS (Advertising Cost of Sale):** $\text{Ad spend} \div \text{ad revenue}$. Spent \$50 on ads that produced \$200 of sales? $\text{ACoS} = 25\%$. Lower is more efficient.
- **Break-even ACoS:** Your profit margin before ads. If you make 30% margin, an ACoS above 30% means ads are eating ALL your profit on those sales.

REAL EXAMPLE · Ads on the baking mat

Month 1: \$300 ad spend → \$1,100 in ad-driven sales → ACoS 27%. The mat's pre-ad margin is 32%, so ads are profitable — barely. Across ALL sales (ads + organic), total ad spend was 14% of revenue. That 14% is a real fee; it belongs in the profit math.

- ✓ Budget 10–20% of revenue for ads as a new seller — more at launch, less as organic ranking builds
- ✓ Start with one Automatic campaign at \$10–\$20/day; harvest the search terms that convert
- ✓ Check campaigns weekly: pause keywords with many clicks and zero sales
- ✓ Never run ads on a product with under ~25% margin — there's no room for them

WATCH OUT

PPC is the silent profit-killer for beginners: each click feels like pocket change while the monthly invoice quietly exceeds your storage, returns, and subscription fees combined. Set daily budgets. Always.

10

Hidden Costs Most Beginners Miss

- **Professional subscription** — **\$39.99/mo.** Required to run ads and win the Buy Box properly. It bills whether you sell or not.
- **Low-inventory-level fee.** Run nearly OUT of stock of a popular item and Amazon charges extra (~\$0.30–\$1.10/unit sold) while your inventory level stays critically low. Understocking has a price, just like overstocking.
- **Removal / disposal fees.** Getting inventory OUT of Amazon costs per unit (removal back to you, or disposal). Budget it for failed products.
- **Unplanned prep fees.** If your units arrive unlabeled or unbagged, Amazon fixes them and bills you per unit — more than doing it right would have cost.
- **Reimbursement gaps.** Warehouses lose and damage inventory. Amazon usually auto-reimburses — but not always. Audit monthly; recover what's yours.
- **Sales tax & income tax.** Amazon collects sales tax for buyers in most states automatically, but your PROFIT is taxable income. Track everything; talk to a tax professional.
- **Software & samples.** Product research tools, photo costs, supplier samples — the “small stuff” is often \$100+/month.

TIP · The 35% rule of thumb

Until you've run your own numbers, assume Amazon-related costs (all fees + ads) will consume ~35% of your selling price, and verify with the worksheets in this guide. If a product can't survive that assumption with margin to spare, skip it.

11 Complete Profit Examples (Real Numbers)

Example A — the good product: silicone baking mat, \$24.99

LINE ITEM	AMOUNT	NOTES
Sale price	\$24.99	
Referral fee (15%)	– \$3.75	Amazon's commission
Fulfillment fee + fuel	– \$3.78	Small standard, 14 oz
Storage (monthly avg/unit)	– \$0.05	Small + sells fast
Inbound ship + prep + placement	– \$1.06	From page 7
Advertising (14% of revenue)	– \$3.50	Launch-phase level
Returns reserve (2.5%)	– \$0.62	
Product cost (from supplier)	– \$4.20	
NET PROFIT PER UNIT	\$8.03	32% margin

Example B — the trap product: garden planter, \$39.99

LINE ITEM	AMOUNT	NOTES
Sale price	\$39.99	Looks great so far...
Referral fee (15%)	– \$6.00	
Fulfillment fee + fuel	– \$9.73	Oversize: big & 4 lbs
Storage incl. Q4 + aging	– \$1.85	1.2 cu ft, slow seller
Inbound shipping (heavy!)	– \$3.40	
Advertising (18%)	– \$7.20	Competitive niche
Returns reserve (4%)	– \$1.60	Ships = arrives cracked
Product cost	– \$9.50	
NET PROFIT PER UNIT	\$0.71	1.8% margin — ouch

GOOD TO KNOW • Same 15% referral fee — wildly different outcomes

Size, weight, ad competition, and return rate did all the damage in Example B. This is why you run EVERY line of this table before buying inventory — the worksheet on the next page does exactly that.

12 FBA Fee Calculator Worksheet

Fill this out for every product BEFORE you buy inventory. Look up the starred lines in Seller Central; estimate the rest using this guide.

Product:

Planned sale price: \$.....

Referral fee* (price × category %): \$.....

Fulfillment fee* (incl. fuel surcharge): \$.....

Monthly storage ÷ expected monthly sales per unit: \$.....

Inbound: freight \$..... + prep \$..... + placement \$..... = \$..... per unit

Advertising reserve (price × 15%): \$.....

Returns reserve (price × 2.5%): \$.....

Product cost per unit (incl. duties): \$.....

TOTAL COSTS (add all the above): \$.....

NET PROFIT = price – total costs = \$.....

MARGIN = profit ÷ price × 100 = %

FREE AMAZON FBA TOOLS

Want to estimate profitability before placing an inventory order? Use these free tools at SimpleLifeCalc.com:

- **Amazon FBA Profit Calculator** — Estimate Amazon fees, product costs, and profit margins before buying inventory.

These tools are designed to help Amazon sellers make sourcing decisions with confidence.

TIP • Pass / fail line

Healthy FBA products clear 25–30% margin on this worksheet WITH the ad and returns reserves included. Between 15–25%: proceed carefully. Below 15%: walk away — one fee change or price war erases you.

13 Product Planning Sheet

One page per product idea. Five minutes here saves five hundred dollars later.

Product idea:

Packaged size: _____ × _____ × _____ in Packaged weight: _____

Size tier (look it up!): _____ Fee cliff nearby? YES / NO

Top 3 competitors' prices: \$ _____ \$ _____ \$ _____

My target price: \$ _____

Estimated monthly sales (research tools / bestseller rank): _____ units

First order size (1–2 months of sales MAX): _____ units

Supplier quote per unit: \$ _____ Freight quote total: \$ _____

Seasonal? (Q4 storage risk) YES / NO Fragile? (returns risk) YES / NO

Worksheet margin from page 12: _____ %

DECISION: BUY / RESEARCH MORE / PASS

WATCH OUT

If you can't fill in monthly sales and competitor prices with real data, you're not ready to order. Guesses here become aged-inventory surcharges later.

14

Monthly Profit Tracking Page

Amazon's dashboard shows SALES, which feels great and means little. Track PROFIT monthly with this layout (paper or spreadsheet — the structure is what matters).

MONTH: _____	AMOUNT	
Total revenue	\$	
– Referral fees	\$	Seller Central → Payments report
– Fulfillment fees	\$	
– Storage + aged surcharges	\$	
– Inbound shipping / prep / placement	\$	
– Advertising spend	\$	Campaign Manager
– Refunds & return fees	\$	
– Subscription & software	\$	
– Product cost of units SOLD	\$	units sold × unit cost
= NET PROFIT	\$	
Margin (profit ÷ revenue)	%	Goal: 20%+

TIP

Do this on the 5th of every month for the prior month — Amazon's fee reports finalize by then. Twenty minutes, once a month, and you'll know more about your business than most sellers ever do.

REAL EXAMPLE

Tasha's dashboard showed \$9,400 in March sales — her best month ever. This worksheet showed \$410 in profit, because Q1 ad spend had crept to 24% of revenue. She trimmed two bleeding campaigns; April: \$8,900 in sales, \$1,650 in profit. Track profit, not applause.

15 Beginner Mistakes & Money-Saving Tips

The classic mistakes

- Calculating profit as “price minus product cost” — forgetting the ~35% Amazon stack
- Ordering 1,000 units of an unproven product (hello, aged-inventory surcharges)
- Ignoring packaged dimensions — then paying the wrong size tier on every unit
- Running ads with no daily budget cap or break-even ACoS in mind
- Never auditing reimbursements, fee categories, or size-tier classifications

The money-savers

- ✓ Shrink packaging to drop a size tier — saves on every unit forever
- ✓ Keep 30–60 days of stock: dodges BOTH aged-inventory and low-inventory fees
- ✓ Use Partnered Carrier rates + split shipments to cut inbound & placement fees
- ✓ Time inventory to arrive in September — sell through Q4 at high prices, store less at Q4 rates
- ✓ Check the Fee Preview & Inventory Age reports monthly; dispute wrong size tiers

■ BEFORE-YOU-BUY-INVENTORY CHECKLIST

- | | |
|---|--|
| ☐ Fee worksheet (p.12) shows 25%+ margin | ☐ Packaged size & tier verified |
| ☐ Real freight quote in hand | ☐ Competitor prices researched |
| ☐ First order $\leq$ 2 months of sales | ☐ Ad budget & break-even ACoS set |
| ☐ Returns reserve included in math | ☐ Planning sheet (p.13) says BUY |

THE WHOLE GUIDE IN ONE SENTENCE:

Know every fee BEFORE you buy — because Amazon certainly will after you sell.

For additional calculators, guides, worksheets, and seller resources, visit SimpleLifeCalc.com.