

May 1, 2013

Mr. John J. Donahoe  
Chief Executive Officer & President  
eBay, Inc.  
2065 Hamilton Avenue  
San Jose, California 95125

Dear Mr. Donahoe:

With the Senate planning to vote next week on S.743, the *Marketplace Fairness Act*, we are writing to address recent comments you made about this legislation.

We are a coalition representing thousands of American businesses – large and small, as well as both brick-and-mortar and online. The depth of support among the seller community is echoed in the Congress where there is broad, bipartisan and growing support for this legislation. In fact, the *Wall Street Journal* astutely reported yesterday:

- *Pretty much the entire online shopping industry, and all the giants of traditional retailing, have lined up in support of the Marketplace Fairness Act...support for the act is broad and bipartisan — except for one high-profile exception. Standing almost alone among big e-commerce companies, eBay remains a vocal opponent of the bill.*

Given these dynamics, we recognize why there might be inaccurate comments coming from the other side and that is why we feel compelled to respond to the *Wall Street Journal's* interview with you.

Among the many misleading claims put forward by eBay has been that businesses would have to comply with upwards of 10,000 different tax laws that would drown them in paperwork. We were pleased to see that you finally distanced yourself from this false “complexity” claim yesterday and **acknowledged to the *Wall Street Journal* that “levying and collecting the taxes would be a matter of software upgrades.”**

In fact, basic software currently available in the marketplace today makes it easy for sellers to calculate any state’s sales tax with a simple click-of-the-button and the *Marketplace Fairness Act* requires states to provide such software to businesses free-of-charge.

Second, the *Wall Street Journal* reports that eBay said, “*this bill allows the state taxing authorities to audit anybody, to question anybody, to go after anybody.*”

Unfortunately, this false claim ignores the language of the bill. As we noted above, this legislation requires states to provide sellers with free software that calculates the sales tax due at the time of filing and files sales tax returns. And, the bill specifically limits the liability of sellers using the state-provided software.

## MARKETPLACE **FAIRNESS** COALITION

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Finally, it is important to acknowledge that the bill includes a \$1 million small seller exemption, which would exempt over 99% of all online sellers from any collection or remittance requirement and, of course, eliminate any distant concern about audits.

Fortunately, a broad coalition of sellers, states, and municipalities from across the country, as well as a strong bipartisan majority in the U.S. Senate and Governors in both parties, recognize that the time has come to pass this bipartisan compromise legislation that would level the playing field and restore fairness to the marketplace.

As this legislation moves forward, please let us know if you have any questions regarding the *Marketplace Fairness Act*. We would be happy to be of assistance.

Sincerely,

The Marketplace Fairness Coalition