

MARKETPLACE **FAIRNESS** COALITION

April 21, 2013

TO THE MEMBERS OF THE UNITED STATES SENATE:

eBay's President and CEO, John Donahoe, recently wrote a letter to his business-to-consumer sellers expressing his opposition to the Marketplace Fairness Act and you may be hearing from some of those sellers about the legislation. The facts should be front and center when we talk about the Marketplace Fairness Act. This legislation would level the playing field for the industry with the largest private workforce in America. eBay's opposition to the Marketplace Fairness Act is a transparent attempt to maintain an unlevel playing field and benefit a very small number of their largest sellers. It is long past time to establish a fair and level playing field on which all sellers can compete.

Mr. Donahoe wants you to believe that the Marketplace Fairness Act would somehow penalize small online businesses. This is disingenuous because it overlooks the fact that this legislation exempts small sellers with less than one-million dollars in annual remote sales to address concerns about small business compliance. To put this in perspective: the Marketplace Fairness Act exempts 99% of all sellers and over 40% of all online commerce.

Mr. Donahoe asks sellers on eBay if they are ready to collect sales taxes, even though the overwhelming majority of them will be exempt under this legislation. What about the sales tax collection services eBay already offers to its sellers? Not only does eBay currently offer software solutions that plug directly into a seller's shopping cart, but even today the smallest sellers on eBay collect sales taxes on sales made into the states where their businesses are located. The technology solutions for sales tax collection already exist. Further, the Marketplace Fairness Act requires states to provide free sales tax collection software to all remote sellers. Make no mistake; the current bill addresses concerns for small businesses both online and on Main Street.

Mr. Donahoe suggests that leveling the playing field and treating all sellers equitably is bad policy. We could not disagree more. The current system can no longer be justified and it is time to modernize how sales taxes are collected, level the playing field for all sellers, and protect the states' right to make their own policy choices.

That is why a broad coalition of sellers, states, and municipalities from across the country and in your district are waiting for Congress to pass the Marketplace Fairness Act and end the uncertainty of the current sales tax collection system. The Marketplace Fairness Act will fuel competition and create real value for consumers based on service, price, and convenience: not unfair sales tax collection rules. All businesses, large and small, must be given the chance to succeed and grow. We exist in a 21st century marketplace and the law must reflect this reality.

Further, we need policy that is equitably applied to all sellers, that allows the free market to operate, and requires all sellers to compete on a level playing field. States have the right to decide their own revenue structure and collect the sales tax that is already owed. The Marketplace Fairness Act is good policy for the 21st century retail marketplace.

As Mr. Donahoe acknowledges, this debate has been going on for over 15 years. One month ago, the U.S. Senate voted 75-24 in favor of sales tax fairness. The time has come to level the playing field. The time has come to pass the Marketplace Fairness Act.

Sincerely,

The Marketplace Fairness Coalition

www.marketplacefairnessnow.com