FOR IMMEDIATE RELEASE Contact: Ron Bonjean/Brian Walsh (202) 349-1402 January 8, 2014

Millions of American Businesses Urge Immediate House Action on Marketplace Fairness

Joint Letter Says Government Tax Policy Should Not Disrupt Free Market Competition

WASHINGTON D.C. – In a joint letter sent today to House Judiciary Committee Chairman Bob Goodlatte, hundreds of organizations that collectively represent more than <u>three</u> <u>million American businesses and organizations</u> – large and small – called for immediate action on the long overdue issue of marketplace fairness.

Citing more than 20 years of inaction and the Supreme Court's recent decision affirming that this is a matter for Congress to address, the letter urges Congress "to make the 2013 holiday shopping season the last where Main Street businesses must compete at a government-created price disadvantage."

The U.S. Senate overwhelmingly passed the *Marketplace Fairness Act* last May in a broad, bipartisan vote. Going back to 1994, the issue of marketplace fairness has had more than 30 hearings in both the House and Senate, including hearings before the House Judiciary Committee in both 2011 and 2012.

The full text of the letter, which was signed by organizations ranging from the U.S. Chamber of Commerce to the Virginia Veterinary Medical Association, in Goodlatte's home state, is below:

January 07, 2014

The Honorable Robert W. Goodlatte Chairman The Committee on the Judiciary U.S. House of Representatives Washington, DC 20515

Dear Chairman Goodlatte:

On behalf of the undersigned businesses and organizations, we are writing to start off the new year to urge immediate action on legislation to create marketplace fairness and make the 2013 holiday shopping season the last where Main Street businesses must compete at a government-created price disadvantage. The recent decision by the United States Supreme Court to decline granting *certiorari* for two cases that challenged a New York State statute

only highlights the need for Congressional action. We applaud your "Basic Principles on Remote Sales Tax" principles released on September 18 and now urge you to turn these principles into legislative language and make this issue a top priority for the Judiciary Committee in 2014.

In the 1992 *Quill Corp. v. North Dakota* case, Justice John Paul Stevens wrote that "the underlying issue [of whether remote sellers should be required to collect sales taxes] is not only one that Congress may be better qualified to resolve, but also one that Congress has the ultimate power to resolve." More than twenty years later, the Court's recent refusal to revisit the legal question, ironically announced on Cyber Monday, reaffirms their 1992 direction that this is an issue that Congress must address.

Online shopping is popular with consumers and sellers alike. The rapid growth of ecommerce should benefit online sellers as well as Main Street businesses that also sell online. However, the special treatment of remote sellers distorts this market and puts many local brick-and-mortar businesses at a competitive disadvantage. IBM Digital Analytics Benchmark reports that online shopping this Cyber Monday leapt by 20.6 percent over last year. This incredible growth underscores the importance of Congressional action to ensure government tax policy does not disrupt basic free market competition.

Legislation that levels the playing field while establishing important protections for businesses and consumers will ensure a healthy and competitive marketplace for decades to come. We believe it is crucial for Congress to address this problem this year to protect millions of jobs. And, as Dr. Art Laffer's recent study found, when Congress fixes this problem it could help create 1.5 million new jobs and generate \$563 billion in GDP growth in the next decade.

In closing, we appreciate the deliberative manner in which you have addressed the issue of how to modernize our sales tax collection system for the digital economy, and we urge you to make legislating on this issue a top priority for your Committee by moving a bill in early 2014. We stand ready to work with you and your staff to help translate your seven guiding principles into legislation that will provide meaningful simplifications for remote sellers and create a level playing field for all retailers. Thank you for your leadership on this and many important issues to our economy and country.

Sincerely,

NATIONAL TRADE ASSOCIATIONS

American Apparel and Footwear Association American Beverage Licensees American Booksellers Association American Farm Bureau Federation American Independent Business Alliance American Lighting Association American Specialty Toy Retailing Association American Supply Association American Veterinary Medical Association Association for Christian Retail Automotive Aftermarket Industry Association (AAIA) California Association of College Store Campus Stores of New England **Certified Commercial Investment Member Institute** College Stores Association of North Carolina **Consumer Electronics Association Consumer Electronics Retailers Association** Food Marketing Institute Heating, Air-Conditioning and Refrigeration Distributors International (HARDI) Independent Running Retailer Association Institute of Real Estate Management **International Council of Shopping Centers** International Downtown Association International Economic Development Council **Iewelers of America** Middle Atlantic College Stores Midwest Independent Booksellers Association NAIOP, Commercial Real Estate Development Association NAMM, National Association of Music Merchants National Association of Chain Drug Stores National Association of College Stores National Association of Electrical Distributors National Association of Real Estate Investment Trusts National Association of Realtors National Association of Wholesaler-Distributors National Bicycle Dealers Association National Grocers Association National Home Furnishings Association National Retail Federation National School Supply & Equipment Association National Sporting Goods Association North American Retail Dealers Association Northwest Tire Dealers Association Outdoor Industry Association (OIA) Pet Industry Joint Advisory Council **Professional Beauty Association Real Estate Roundtable Realtors Land Institute Retail Industry Leaders Association** Soccer Dealer Association Society of Industrial and Office Realtors Southwest Association of College Bookstores **Tri-State Bookstore Association U.S. Chamber of Commerce** World Floor Covering Association

STATE / LOCAL TRADE ASSOCIATIONS

Alabama College Bookstore Association Alabama Retail Association Alaska Veterinary Medical Association Alliance of Wisconsin Retailers Arizona Retailers Association Arkansas Grocers and Retail Merchants Association Association of Washington Business **California Association of College Stores** California Business Properties Association Southern California Independent Booksellers Association California Retailers Association California Veterinary Medical Association **Campus Stores of New England Carolinas Food Industry Council College Stores Association of North Carolina College Stores Association of New York State** Colorado Retail Council **Colorado Veterinary Medical Association Connecticut Retail Merchants Association Delaware Veterinary Medical Association** Economic Alliance of Snohomish County, WA The El Dorado Hills CA Chamber of Commerce The Elgin IL Chamber of Commerce Florida Association of College Stores Florida Chamber of Commerce Florida Retail Federation Georgia Association of College Stores Georgia Retail Association **Georgia Veterinary Medical Association** Great Lakes Independent Booksellers Association Idaho Retailers Association Idaho Veterinary Medical Association Illinois Association of College Stores Illinois Retail Merchants Association Illinois State Veterinary Medical Association Indiana Association of College Stores Indiana Retail Council Indiana Veterinary Medical Association Iowa Retail Federation **Iowa Veterinary Medical Association** Kansas Chamber of Commerce Kentucky Retail Federation Kentucky Veterinary Medical Association Local First Arizona Los Angeles Area Chamber of Commerce Louisiana Retailers Association Louisiana Veterinary Medical Association Maine Merchants Association Maine Veterinary Medical Association Maryland Retailers Association Massachusetts Veterinary Medical Association Michigan Association of College Stores Michigan Retailers Association Michigan Veterinary Medical Association Minnesota Business Partnership Minnesota Chamber of Commerce

Minnesota Retail Association Minnesota Veterinary Medical Association **Missouri Retailers Association** Mountains and Plains Independent Booksellers Association Naperville Area Chamber of Commerce Nebraska Retail Federation Nebraska Veterinary Medical Association Nevada Veterinary Medical Association New Atlantic Independent Booksellers Association New England Independent Booksellers Association New Jersey Retail Merchants Association New Jersey Veterinary Medical Association New Mexico Retail Association North Carolina Retail Merchants Association North Carolina Veterinary Medical Association North Dakota Retail Association Northern California Independent Booksellers Association Northwest College Bookstore Association (WA, OR, AK, MT) Oak Ridge Chamber of Commerce **Ohio Association of College Stores Ohio Council of Retail Merchants Oklahoma Veterinary Medical Association** Pacific Northwest Booksellers Association Pennsylvania Retailers' Association Retail Association of Mississippi Retail Association of Nevada **Retail Council of New York State Retail Merchants of Hawaii Retailers Association of Massachusetts Rhode Island Retail Federation** Rocky Mountain Skyline Bookstore Association Seattle Metropolitan Chamber of Commerce Sioux Falls Area Chamber of Commerce South Carolina Association of College Stores South Carolina Association of Veterinarians South Carolina Retail Merchants Association South Dakota Retailers Association Southern Independent Booksellers Alliance **Tennessee Association of College Stores Tennessee Retail Association Tennessee Veterinary Medical Association Texas Retailers Association** The State Chamber of Oklahoma **Tri-City Regional Chamber of Commerce** Tri-State Bookstore Association (ND, SD & MN) **Tri-State Jewelers Association** Twin Cities Metro Independent Business Alliance Utah Food Industry Association Utah Retail Merchants Association **Utah Veterinary Medical Association** Vermont Retail Association

Virginia Retail Merchants Association Virginia Veterinary Medical Association Washington Retail Association Washington State Motorsports Dealers Association (WSMDA) Washington State Veterinary Medical Association West Virginia Retailers Association West Virginia Veterinary Medical Association Wisconsin Association of College Stores Wisconsin Veterinary Medical Association Wyoming Retail Association Wyoming Veterinary Medical Association

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The Marketplace Fairness Coalition is comprised of businesses of every size, sector, and channel of product distribution, located in every state throughout the country. Visit us at <u>www.marketplacefairnessnow.org</u>.