

**FOR IMMEDIATE RELEASE**

March 13, 2018

**MFC Calls On Congress To Pass E-Fairness Legislation Now**

Washington, D.C. – The Marketplace Fairness Coalition (MFC) released the following statement today urging Congress to act immediately and pass federal E-Fairness legislation:

"Congress should be the one to pass the E-Fairness legislation that merchants have supported for more than a decade to level the playing field for brick-and-mortar businesses. Due to the online sales tax loophole, states across the nation will lose more than \$33.9 billion in sales tax revenue this year alone. Federal legislation can provide the simplifications and protections that would benefit sellers of all sizes. That's why President Trump and a majority of members of Congress on both sides of the aisle support federal E-Fairness legislation. Congress has an opportunity to act now to address this issue, and we encourage you to do so."

Businesses across the country are calling for an E-Fairness solution. The International Council of Shopping Centers (ICSC) underscored the damage the online sales tax loophole causes brick-and-mortar stores, "First, the loss of physical stores, many of which are integral to the social fabric of their communities, increases unemployment and creates a sense of dislocation among community residents. Second, the decline in the retail sector reduces the value of retail real estate, discourages further development of retail properties, and impedes innovation in the retail sector. Third, the lost revenue from sales, property, and income taxes threatens the ability of state and local governments to provide much-needed public services, including those that benefit online retailers."

In addition, the National Association of Wholesaler-Distributors (NAW) emphasized wholesaler-distributors with "some form of physical presence in a state are forced to operate at a clear and substantial economic disadvantage vis-à-vis remote internet sellers competing in the same markets. The disadvantage results in lost sales revenue and hampers the ability of locally-present wholesaler-distributors to grow their businesses, invest in the community, and produce in-state employment opportunities."

Furthermore, as reported by Pew Charitable Trusts today, the National Governors Association (NGA) stated, "The devastating effect on State and local economies is two-fold... First, the physical nexus requirement results in a loss of crucial revenue from owed taxes that State and local governments depend on to fund basic government functions... Second, it disadvantages in-state brick-and-mortar retailers, who do not have the same luxury of avoiding their sales and use tax collection and remittance responsibilities."

To learn more, [click here](#).

**Supreme Court Announces It Will Begin Hearing Arguments On Online Sales Tax Issue On April 17.** "The U.S. Supreme Court will soon hear a long-simmering challenge about states' taxing authority over online retailers. And states should have the high court's answer by the start of summer. The court announced Feb. 23 that it would hear oral arguments in the South Dakota v. Wayfair case April 17 at 10 a.m. The case is a direct challenge to the 1992 ruling in Quill Corp. v. North Dakota that prohibits states from imposing sales and use tax collection obligations on vendors lacking an in-state physical presence." (Ryan Prete, "Save the Date: Supreme Court to Hear Online Tax Case April 17," [Bloomberg](#), 2/23/18)

**Americans For Tax Reform Says Congress Should Act On E-Fairness.** "Finally, a reversal of Quill—and the establishment of the new standard that would replace its physical-presence rule—is best left up to Congress, and to grant this petition would encourage other states to pass unconstitutional laws as a means of attempting to force reversals of decisions with which they disagree." (Brief Of Amicus Curiae Americans For Tax Reform In Support Of Respondents, [SupremeCourt.gov](#), 2017)

**The National Retail Federation Senior Vice President For Government Relations David French Calls For Congress To Take Action On E-Fairness.** "Calling the '92 ruling 'out of date,' the National Retail Federation wants Congress to step in. 'It's time for Congress to pass a law that recognizes the evolution in the retail industry over the past two-and-half decades and say that online sellers should no longer be given an unfair advantage over Main Street merchants,' NRF Senior Vice President for Government Relations David French said. 'We are more than happy to see the Supreme Court revisit this issue, but we view a carefully crafted stakeholder-led decision in Congress as far preferable to a judicial decision that reverses the previous ruling without addressing the details of implementation.' The NRF supports the Remote Transactions Parity Act, which would give states the power to collect sales taxes from online retailers. The legislation also includes provisions for small businesses that might otherwise be burdened by compliance issues." (Caletha Crawford, "Online Sales Tax Fight Expected To Land In U.S. Supreme Court," [Sourcing Journal](#), 9/18/17)

**Bipartisan Efforts Are Underway In Congress To Pass A Legislative E-Fairness Solution.** "It appears the efforts to get Congress to preempt the Supreme Court on an online sales tax solution are fully bipartisan. Senate Minority Whip Dick Durbin (D-Ill.) told reporters on Wednesday that 'people are talking about' tacking an online sales tax bill on to an omnibus spending bill that Congress will presumably pass in the coming weeks. 'I'm in favor of putting it on any vehicle that passes,' Durbin said. But like Rep. Kristi Noem (R-S.D.), Durbin said the court's decision might be more of a blunt instrument, and that lawmakers are best equipped to ensure that there's no chaos in enacting a new system. 'The legislation we have tries to at least give a break to the smaller vendors, the smaller retailers so that they won't face the same regulations as others,'" he said. 'The court may not be as generous.'" (Bernie Becker, "One Last Online Push," [Politico Morning Tax](#), 3/1/18)

**A Marketplace Fairness Coalition (MFC) Analysis Finds That States Will Lose \$211 Billion by 2022 Without An E-Fairness Solution.** "The Marketplace Fairness Coalition, which favors giving states greater power to collect, is warning that states would lose a lot of revenue without some sort of solution some \$211 billion combined from 2018 to 2022. States would lose around

\$34 billion next year, growing to almost \$52 billion in 2022. The coalition reached its figures by updating 2015 data from the National Conference of State Legislatures." (Bernie Becker, "Keeps Adding Up-Politico Morning Tax," [Politico](#), 9/21/17)

**Conservative Economists Alex Brill And Alan Viard Say Congress Must Close The Online Sales Tax Loophole.** "Under the Supreme Court's 1992 decision in *Quill Corp. v. North Dakota*, sellers without a physical presence in a state cannot be required to collect and remit that state's sales tax. As a result, online sellers have an artificial competitive advantage over local brick-and-mortar sellers, who must collect sales tax from their customers. Congress needs to end this unfair tax advantage." (Alex Brill and Alan Viard, "Shop Online? Internet Retailers Have A Tax Advantage Congress Must End," [The Hill](#), 8/9/17)

**U.S. Representative Kristi Noem (R-S.D.) Said President Trump Supports Passage Of The Remote Transactions Parity Act (RTPA).** "Rep. Kristi Noem is on a mission. The South Dakota GOP gubernatorial candidate has been aggressively pitching her online sales tax legislation to anyone who will listen. Noem's legislation, the Remote Transactions Parity Act, is backed by President Trump and would expand the authority of states to collect sales taxes on internet purchases." (Scott Wong, "Five Things Lawmakers Want Attached To The \$1 Trillion Funding Bill," [The Hill](#), 3/11/18)

**President Trump And Administration Officials Promised Passage Of E-Fairness Legislation In 2018 To Rep. Kristi Noem (R-S.D.), A Key Sponsor Of RTPA.** "The president has made a commitment to U.S. Rep. Kristi Noem that her bill requiring online sellers to collect sales taxes will be passed into law this year, Noem said Wednesday in Rapid City. Noem, R-S.D., said she received a commitment from President Donald Trump during a recent meeting at the White House. She said the meeting also included Vice President Mike Pence, Treasury Secretary Steven Mnuchin and White House staffers Rick Dearborn and Marc Short. 'They all committed to me that we were going to get my bill passed in '18 here,' Noem said. 'I told them that I would remind them of that daily.'" (Seth Tupper, "Noem And Jackley Race To Solve Online Sales-Tax Problem," [Rapid City Journal](#), 1/3/18)

**Seventy Percent Of Americans Support Legislation That Simplifies Online Sales Tax Collection And Evens The Playing Field For Small Businesses.** "With 70 percent of Americans supporting legislation that simplifies online sales tax collection (according to a August 2014 poll by Opinion Research Organization) and evens the playing field, Congress should take the lead. But if they don't, it looks like the courts will. Fixing this antiquated system is not only the right thing to do for the retail industry, but for the American economy and our communities." (Tom McGee, "Sunday Letters: Sales Tax Revenue," [Houston Chronicle](#), 9/30/17)

To learn about the need for a federal E-Fairness solution, visit the Marketplace Fairness Coalition's website: [www.efairness.org](http://www.efairness.org).