January 18, 2012

The Honorable Lamar Smith
Chairman
Committee on the Judiciary
US House of Representatives
Washington, DC 20515

The Honorable John Conyers
Ranking Minority Member
Committee on the Judiciary
US House of Representatives
Washington, DC 20515

Dear Chairman Smith and Ranking Member Conyers:

The undersigned companies and state and national trade associations ask that you favorably consider legislation pending before the Committee on the Judiciary, H.R. 3179, the Marketplace Equity Act, that would close a loophole harming traditional brick-and-mortar retail businesses while assisting the states in collecting approximately $23 billion in uncollected state sales taxes that are currently due on Internet and other remote sales. We appreciate the Committee holding the November 30 oversight hearing, where there was strong bipartisan support for addressing the inequality in today's marketplace. We urge the Committee to move expeditiously to mark-up the Marketplace Equity Act so that Main Street merchants are not disadvantaged on an uneven playing field for another year.

At issue is a decades-old Supreme Court ruling, issued in 1992 before the pervasiveness of Internet commerce, which prohibits states from requiring remote sellers to collect sales and use taxes owed on purchases from out-of-state vendors. This loophole has created an unfair price disadvantage for brick-and-mortar retail businesses, has led to budget shortfalls for states as sales taxes go uncollected, and has placed an undue burden on consumers who do not realize they owe the sales tax if it is not collected by the seller, leaving them to face penalties and increased scrutiny from state auditors.

We support legislation that would give states the authority to manage their sales tax laws while closing this loophole. While other bills have been introduced with similar goals, there is one key item in common: only Congress can grant this authority to the states. H.R. 3179 the Marketplace Equity Act, introduced by Reps. Steve Womack (R-AR), Jackie Speier (D-CA), and Peter Welch (D-VT), provides a pathway forward for states to collect sales taxes, simplify their sales tax statutes and assist vendors with compliance, while providing for a robust small business exemption.

As the Congress seeks solutions to address the federal budget, the Marketplace Equity Act is a proposal that will help states facing their own budget shortfalls without increasing the federal deficit. Congress has an opportunity to enhance states' rights over sales tax collection authority and in the process close a loophole that will level the playing field for all merchants. We urge the Committee to report favorably H.R. 3179, the Marketplace Equity Act.

Respectfully,

The Undersigned Companies and State and National Trade Associations

NATIONAL TRADE ASSOCIATIONS
American Apparel and Footwear Association
American Booksellers Association
American Specialty Toy Retailing Association
American Veterinary Medical Association
Association for Christian Retail
California Association of College Store
Certified Commercial Investment Member Institute
College Stores Association of North Carolina
Consumer Electronics Association
Consumer Electronics Retailers Association
Food Marketing Institute
Independent Running Retailer Association
Institute of Real Management
International Council of Shopping Centers

Jewelers of America
Middle Atlantic College Stores
National Association of Chain Drug Stores
National Association of College Stores
NAMM, National Association of Music Merchants
NAIOP, Commercial Real Estate Development Association
National Association of Real Estate Investment Trusts
National Association of Realtors
National Bicycle Dealers Association
National Grocers Association
National Home Furnishings Association
National Retail Federation
North American Retail 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
Tri-State Bookstore Association
World Floor Covering Association

STATE / LOCAL TRADE ASSOCIATIONS

Alabama Retail Association
Alabama College Bookstore Association
Alaska Veterinary Medical Association
Alliance of Wisconsin Retailers
Arizona Retailers Association
Arkansas Grocers and Retail Merchants Association
Association of Washington Business
California Business Properties Association
California Retailers Association
Carolinas Food Industry Council
Colorado Veterinary Medical Association
Colorado Retail Council
Colorado Veterinary Medical Association
Connecticut Retail Merchants Association
Economic Alliance of Snohomish County, WA
Delaware Veterinary Medical Association
Florida Retail Federation
Georgia Retail Association
Georgia Veterinary Medical Association
Idaho Retailers Association
Idaho Veterinary Medical Association
Illinois Retail Merchants Association
Illinois State Veterinary Medical Association
Indiana Retail Council
Indiana Veterinary Medical Association
Iowa Retail Federation
Iowa Veterinary Medical Association
Kentucky Retail Federation
Kentucky Veterinary Medical Association
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 Retail Association
Minnesota Veterinary Medical Association
Missouri Retailers Association
Mountains and Plains Independent Booksellers Association
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
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
Seattle Metropolitan Chamber of Commerce
South Carolina Retail Merchants Association
South Carolina Association of Veterinarians
South Dakota Retailers Association
Southern Independent Booksellers Alliance
Tennessee Retail Association
Tennessee Veterinary Medical Association
Texas Retailers Association
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 Veterinary Medical Association
West Virginia Retailers Association
West Virginia Veterinary Medical Association
Wisconsin Veterinary Medical Association
Wyoming Retail Association
Wyoming Veterinary Medical Association

COMPANIES
Abbell Credit Corporation, Chicago, IL
Acadia Realty Trust, White Plains, NY
AutoZone
Balliet's LLC
Barnes and Noble
Beall"s Inc.
Bed, Bath, & Beyond
Ben Bridge Jewelers, Seattle, WA
Best Buy
Blake Hunt Ventures, Inc., Danville, CA
John Bucksbaum, Private Real Estate Investor/Developer, Former Chairman and CEO of General Growth

Properties, Inc., Chicago, IL
Build-A-Bear Workshop®, Saint Louis, MO
CBL & Associates Properties, Inc., Chattanooga, TN
Cencor Realty Services, Dallas, TX
Chesterfield Blue Valley, LLC, St. Louis, MO
The Container Store, Dallas, Texas
The CortiGilchrist Partnership, llc, Al Corti, Principal, San Diego, CA
Dick's Sporting Goods
DDR Corp., Beachwood, OH
DLC Management Corp., Tarrytown, NY
Donahue Schriber Realty Group, Costa Mesa, CA
Edens & Avant, Columbia, SC
Evergreen Devco, Inc., Glendale, CA
Fairfield Corporation, Battle Creek, MI
Federal Realty Investment Trust, Rockville, MD
FedTax, David Campbell, CEO
L. Michael Foley and Associates, LLC, La Jolla, CA
Foot Locker, Inc.
Forest City Enterprises, Inc., Cleveland, OH
Gap Inc., San Francisco, CA
Garrison Pacific Properties, San Rafael, CA
General Growth Properties, Chicago, IL
Glimcher Realty Trust, Columbus, OH
The Greeby Companies, Inc., Chicago, IL
Hart Realty Advisers, Inc., Simsbury, CT
David Hocker & Associates, Inc., Owensboro, Kentucky
D. Talmage Hocker, The Hocker Group, Louisville, KY
The Home Depot
Hy-Vee, Inc.
Jo-Ann Stores, Inc.
Kemper Development Company, Bellevue, WA
Kimco Realty Corporation, New Hyde Park, NY
Limited Brands, Columbus OH
Lowes Companies, Inc.
Malcolm Riley and Associates Los Angeles, CA
Mary Lou Fiala, CEO, Loft Unlimited, Ponte Vedra Beach Florida
Marketing Developments, Inc. MI
Meijer
The Neiman Marcus Group, Inc
Planning Developments, Inc. MI
JC Penney
Petco
The Pratt Company, Mill Valley, CA
The Rappaport Companies, McLean, VA
REI (Recreational Equipment, Inc.)
Reininga Corporation, Healdsburg, CA
Safeway, Inc.
Sears Holdings Corporation
The Seayco Group, Bentonville, AK
The Sembler Company, St. Petersburg, FL
Simon Property Group, Indianapolis, IN
Steiner + Associates LLC, Columbus, Ohio
Stirling Properties, Covington, LA
Tanger Factory Outlet Centers, Inc., Greensboro, NC
Target Corporation
Taubman Realty Group, Bloomfield Hills, MI
Tractor Supply Company
Vestar Development Co. - Phoenix AZ
Wal-Mart Stores, Bentonville, AR
The Weitzman Group, Dallas, Texas
Wendy's Company
Western Development Corporation, Washington, DC

Westfield, LLC., Los Angeles, CA
WDP Partners, LLC, Phoenix, AZ
Wolfe Properties, LLC, St. Louis, MO
Zumiez, Inc.