

August 16, 2011

The Honorable John Boehner  
Speaker, U.S. House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
House Democratic Leader  
Washington, DC 20515

The Honorable Harry Reid  
Senate Majority Leader  
Washington, DC 20510

The Honorable Mitch McConnell  
Senate Republican Leader  
Washington, DC 20510

Dear Congressional Leaders:

The undersigned organizations write to express our strong opposition to S. 1452 / HR 2701, the Main Street Fairness Act, which would impose significant cost burdens on Internet-enabled businesses across the nation.

If enacted, this bill would overturn the Supreme Court's decision in the *Quill* case and allow a group of states to impose new and onerous tax collection burdens on Internet-enabled retailers and entrepreneurs, as well as other remote sellers that do not even reside in their state. The bill would cede Congressional power over interstate commerce to the Streamlined Sales Tax Governing Board, a body created by a few states that has shown it will further complicate the tax structure and increase the tax collection burden on Internet retailers. The Governing Board has not reduced the more than 7,500 taxing jurisdictions Internet retailers face, and even where this Governing Board has introduced simplification, it has granted exceptions as an inducement for states to join. Therefore, not only will this give a group of state governments far-reaching tax collection authority, but it will also undoubtedly impede the growth and development of interstate commerce, especially for small businesses.

Over the past decade, Internet-enabled businesses and entrepreneurs have become an integral part of our nation's economy and have produced hundreds of thousands of jobs. There is no doubt the Internet has been an engine for innovation, empowerment and economic development, especially in the world of retail. The Internet connects entrepreneurs across America, including individuals and in rural and disadvantaged communities, with consumers in every corner of the world. This "global market" provides businesses opportunities to grow and expand and enables consumers to access quality goods and services.

At a time when our nation is recovering from challenging economic times, we believe Congress should enact pro-growth policies that encourage and increase economic activity, not increase costs and burdens on our nation's businesses. The underlying premise of the

bill is that the sales tax simplifications proposed in the bill, as implemented by the Streamlined Sales and Use Tax Agreement, would make it simple for remote sellers to collect and remit sales tax for the member states. However, the simplifications proposed in the bill do not go far enough and do not represent the radical simplification needed that justify imposing a collection and remittance responsibility on remote sellers. The new burdens that S. 1452 and HR 2701 would force on our nation's online retailers and entrepreneurs will not only adversely impact hundreds of thousands of jobs, but would effectively put an end to the robust e-commerce market that consumers across the world currently enjoy.

We respectfully urge that you not consider this legislation, or any other legislation altering the tax collection rules on the Internet that places unfair burdens on Internet-enabled businesses and entrepreneurs.

We appreciate your consideration.

Sincerely,

Computer & Communications Industry Association  
Colorado Technology Association  
Direct Marketing Association, Inc.  
Electronic Retailing Association  
Illinois Technology Association  
Information Technology Industry Council  
NetChoice  
NetCoalition  
New Jersey Technology Council  
North Carolina Technology Association  
Northern Virginia Technology Council  
San Diego Software Industries Council  
Software Finance & Tax Executives Council  
Software & Information Industry Association  
Software and Information Technology Association of Kansas  
TechAmerica  
Tech Council of Maryland  
TechNet  
TechPoint (Indiana)  
TechQuest Pennsylvania  
Utah Technology Council  
Washington Technology Industry Association