

September 18, 2007

Congressman William J. Delahunt  
United States House of Representatives  
2454 Rayburn House Office Building  
Washington, D.C. 20515

Congressman Ray LaHood  
United States House of Representatives  
1424 Longworth House Office Building  
Washington, D.C. 20515

Dear Representative Delahunt and Representative LaHood:

The undersigned groups are in strong support of the Sales Tax Fairness and Simplification Act, (H.R. 3396) which provides for fair and simple sales tax collection.

As you know, brick-and-mortar retailers are required to collect state and local sales taxes, while many online and catalog retailers are not. Consumers, however, legally owe these taxes even when they are not collected by the retailer. This uneven and complex system imposes substantial costs on retailers and consumers and costs states and localities billions in lost revenue. This threatens vital public services including health care, education, and public safety.

Responding to this unfair situation, 34 states and the District of Columbia -- working in conjunction with the business community-- approved the "Streamlined Sales and Use Tax Agreement" on November 12, 2002. The multi-state agreement outlines a comprehensive system to simplify the states' sales tax rules. Today, 22 states, representing more than 57 million constituents, have enacted legislation to change the tax laws and implement the requirements of the Agreement. Sellers also support the Agreement as evidenced by the more than 1000 companies volunteering to take advantage of the Agreement's streamlined compliance requirements. In return those companies have collected over \$125 million in formerly uncollected state and local revenues.

The states and the business community have made great progress in simplifying state sales taxes. We call on Congress to respond to their efforts by passing H.R. 3396. The legislation will give states that have complied with the Agreement the authority to require out-of-state sellers to collect sales tax on remote sales. H. R. 3396 includes a small business exception, whereby a seller with gross-remote taxable sales below \$5 million is not required to collect sales taxes on remote sales.

This legislation has the support of brick-and-mortar and online retailers; retail and real estate associations; publicly- and privately-owned shopping centers; state government groups; and organizations representing firefighters, teachers, police and other public sector workers.

As Congress considers state tax issues related to an extension of the federal moratorium on state and local taxes on Internet access, we call upon Congress to first provide relief for the states and our nation's retailers by passing H.R. 3396, the Sales Tax Fairness and Simplification Act.

We thank you for introducing this vital legislation and we look forward to working with you toward enactment.

Sincerely,

Alabama Retail Association  
American Booksellers Association

Andrew's Jewelers  
Arizona Retailers Association  
Arkansas Grocers and Retail Merchants Association  
Best Buy Co., Inc.  
California Retailers Association  
Circuit City Stores, Inc.  
Cody's Books  
Colorado Retail Council  
Connecticut Retail Merchants Association  
Council on State Governments (CSG)  
Council of State Retail Associations (CSRA)  
Council on State Taxation (COST)  
Cracker Barrel Old Country Store, Inc.  
Federation of Tax Administrators (FTA)  
First Washington Realty Inc.  
Florida Retail Federation  
General Growth Properties, Inc.  
Georgia Retail Association  
Retail Merchants Association of Hawaii  
Home Depot  
Idaho Retailers Association  
Illinois Retail Merchants Association  
Independent Music Retailers Association  
Indiana Retail Council  
International Council of Shopping Centers (ICSC)  
International Union of Police  
Iowa Retail Federation  
J. C. Penney Corporation, Inc.  
Jack in the Box, Inc.  
Jewelers of America  
Kansas Retail Council  
Kentucky Retail Association  
Kimco Realty Corporation  
K-Mart Corporation  
Land's End  
Louisiana Retailers Association  
Maine Merchants Association  
Maryland Retailers Association  
Retailers Association of Massachusetts (RAM)  
Michigan Retailers Association  
Minnesota Retailers Association  
Retail Association of Mississippi  
Missouri Retailers Association  
National Association of Chain Drug Stores  
National Association of College Stores  
National Association of Convenience Stores  
National Association of Industrial and Office Properties (NAIOP)  
National Association of Real Estate Investment Trusts (NAREIT)

National Bicycle Dealers Association  
National Conference of State Legislatures (NCSL)  
National Governors Association (NGA)  
National Office Products Alliance  
National Retail Federation  
Nebraska Retail Federation  
Retail Association of Nevada  
New England Booksellers Association  
New Jersey Retail Merchants Association  
New Mexico Retail Association  
Retail Council of New York State  
Newspaper Association of America  
North American Retail Dealers Association (NARDA)  
North Carolina Retail Merchants Association  
North Dakota Retail Association  
Northern California Independent Booksellers  
Ohio Council of Retail Merchants  
Oklahoma Retail Council  
Pacific Northwest Booksellers Association  
Pennsylvania Retailers' Association  
Performance Automotive Retailers  
Performance Warehouse Association  
PETsMART, Inc  
RadioShack Corporation  
Real Estate Roundtable  
Retail Industry Leaders Association  
Rhode Island Retail Federation  
Ross Stores, Inc.  
Sears Holdings Corporation  
Simon Property Group  
South Carolina Retail Association  
Staples, Inc.  
Target, Inc.  
Tennessee Retailers Association  
Texas Retailers Association  
The Gap, Inc.  
The Macerich Company  
The TJX Companies, Inc  
Utah Retail Merchants Association  
Vermont Retail Association  
Virginia Retail Merchants Association  
Wal-Mart  
Washington Retail Association  
Weingarten Realty Investors  
West Acres Development LLP  
Westfield America, Inc.  
Wisconsin Merchants Federation  
Wyoming Retail Merchants Association