

April 22, 2013

Labor Unions Support “Marketplace Fairness Act of 2013” (S. 743)

Dear Senator:

Our undersigned labor unions strongly support the bipartisan “Marketplace Fairness Act of 2013” (S. 743) and urge you to vote to advance and support it on the senate floor. This bill, developed by Sens. Enzi-Durbin-Alexander-Heitkamp, is endorsed by labor unions, big and small businesses; state and local governments; a bipartisan group of governors, mayors, and elected officials; and many others. Just weeks ago, during debate on the Senate Budget Resolution, Senators voted 75-24 to approve this bill’s principles, thereby demonstrating stakeholders’ broad support for tax fairness, a level playing field for all businesses, and vibrant Main Streets across America. We urge you to vote to approve the motion to proceed, which would ensure a substantive floor debate. Thereafter, we urge you to oppose weakening amendments that undermine the bill’s intent or restrict state and local taxing authority; and then vote for final passage.

Our unions have long advocated constructive proposals that enable states and localities to collect sales and use tax from remote and online sellers of products and services. Experts estimate uncollected use tax from all remote sales in 2012 cost states and localities a cumulative \$23 billion. This growing tax loophole demands immediate solutions. This is extra important now with states and localities continuing to suffer from prior year and ongoing reduced revenues. Looking ahead, as remote sales continue skyrocketing, along with related uncollected taxes, these problems will worsen. These loopholes harm states and localities and inflict unfair competitive disadvantages on both Main Street and mom-and-pop retailers. We support this bill because it grants those states which streamline their sales tax systems to facilitate related transactions, the authority needed to collect from remote sellers the sales and use taxes owed to states and localities. It offers bi-partisan solutions that address revenue and equity problems and provide benefits to all stakeholders.

It is time to enact “Marketplace Fairness Act of 2013”. First, Congress has clear constitutional authority to act to regulate interstate commerce of online and remote sales. Second, user-friendly software is now clearly available to allow small business remote sellers to automatically and accurately compute, compile, collect sales taxes. To facilitate this, S. 743 requires free software be provided to remote sellers to determine sales and use taxes due, file and remit related taxes, and update tax rates. Third, the bill addresses small businesses concerns by exempting remote sellers below \$1 million in annual national remote sales.

It is important to note that S. 743 does not affect federal tax revenues and would cost the federal government nothing. S. 743 also would not enact any new state or local taxes. The affected taxes already exist under current law in all 45 states (and the District of Columbia) and the many localities, which impose a sales and use tax. S. 743 is designed simply to address the problem that when millions of American consumers make remote or online purchases, they either unknowingly or purposely do not pay these existing use taxes. S. 743 merely provides states the authority to require collection of uncollected existing taxes.

We urge you to actively support and vote in favor of “Marketplace Fairness Act of 2013” (S. 743).

Sincerely,

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers (AFT)

American Federation of Government Employees (AFGE)

Department for Professional Employees, AFL-CIO (DPE)

International Association of Fire Fighters (IAFF)

International Federation of Professional and Technical Engineers (IFPTE)

International Union of Police Associations (IUPA)

National Education Association (NEA)

Service Employees International Union (SEIU)

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)