

December 7, 2011

**Re: Unions Support Legislation to Enable State & Local Governments to Collect Sales Tax from Online & Remote Sellers (Streamlined Sales Tax)**

Dear Representative:

The undersigned labor unions strongly support legislative proposals that enable state and local governments to collect sales tax from remote and online sellers of goods and services.

For many years we have advocated for closing the loopholes that allow sellers to avoid collecting sales tax on these purchases made via mail, telephone, and the internet. This is especially important now because lost tax revenues are increasingly harmful to state and local government budgets while providing an increasingly unfair competitive disadvantage to Main Street and mom-and-pop retailers. According to BNA Daily Tax Report, "as much as \$23 billion in revenues for the year 2012 will go uncollected".

Now is the time to enact legislation to achieve these goals. Congress has clear constitutional authority to take action to regulate interstate commerce of online and remote sales. There is also clear support from state and local governments for congressional action. Support for and participation in the development of Streamlined Sales and Use Tax Agreement (SSUTA) demonstrates that effective and efficient solutions are available. Furthermore, the argument that requiring small businesses to collect sales and use tax would be too burdensome is not convincing. Most experts now agree that accurate and affordable sales tax collection software currently exists to enable relatively effortless collection of existing state and local sales taxes.

It is important to note that Congress would not be enacting any new taxes. These taxes already exist under current law in 45 states and the District of Columbia. Hundreds of millions of U.S. consumers either unknowingly or purposely are not paying their fair share of use taxes on tens of billions of dollars of remote and online purchases. In contrast, Congress, through enactment of congressional legislation, would simply be providing state and local government the authority and ability to collect the existing taxes that are owed

In these challenging economic times, Congress must ensure that state and local governments can collect owed tax revenues and all businesses face a level playing field with consumers. Ideally, Congress would enact legislation that both preserves the taxing authority of state and local governments and grants them the legal authority to collect taxes already owed on remote and online sales. For these reasons, we support the "Main Street Fairness Act" (H.R. 2701/S. 1452) and the "Marketplace Fairness Act" (S. 1832). These bills generally address existing problems and offer constructive solutions.

We look forward to working with Congress to enact legislation to address this issue.

Sincerely,

**American Federation of Labor and Congress of Industrial Labor Organizations (AFL-CIO)**  
**American Federation of State, County and Municipal Employees (AFSCME)**  
**American Federation of Teachers (AFT)**  
**Department for Professional Employees, AFL-CIO**  
**International Association of Fire Fighters (IAFF)**  
**International Federation of Professional and Technical Engineers (IFPTE)**  
**International Union, UAW**  
**National Education Association (NEA)**