

123 South Front Street, Memphis, TN 38103 Phone (901) 495-6500

June 12, 2015

The Honorable Jason Chaffetz
United States House of Representatives
2236 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Womack
United States House of Representatives
1119 Longworth House Office Building
Washington, DC 20515

Dear Representatives Chaffetz and Womack;

On behalf of AutoZone, the nation's leading retailer and a leading distributor of automotive parts and accessories, I am writing today to offer our strong support of the Remote Transaction Parity Act of 2015 (RTPA). This legislation, which would provide a level playing field for all sellers with respect to the collection of state sales taxes, is the product of an inclusive and thoughtful process and unites a wide and diverse range of stakeholders seeking to restore free market competition and transparency to America's marketplace.

Through its 5,000 company-owned stores and eight (8) domestic distribution centers, AutoZone employs about 80,000 employees, known as AutoZoners.

We applaud your recognition that legislation addressing the collection of online sales taxes must be based on destination sourcing. This approach is necessary to solve the key problem of price disparity at the point of purchase that is unfairly impacting community-based businesses. Furthermore, destination sourcing ensures that residents will continue to pay the sales taxes of the state in which they reside, rather than to some state they have no affiliation with and which may carry a higher sales tax rate than their own home state does. Destination sourcing is also essential because it will provide for smooth integration into current sales and use tax collection processes, allowing merchants to utilize a multitude of compliance software options already in existence.

Additionally, RTPA requires several important simplification and business protections, such as single point of collection, a uniform sales and use tax base and free certified software solutions for sellers. RTPA also includes additional safeguards not found in other bills or discussion drafts such as expanded audit protections and a longer transition period for smaller sellers with a higher initial threshold. These provisions will ensure that businesses are shielded from state regulatory overreach while providing certainty for all sellers to compete on a level playing field.

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As America's marketplace continues to advance into a multi-channel arena, this legislation is urgently needed to restore a level playing field to the marketplace, thereby allowing our businesses to deliver exciting new goods and services to consumers now and into the future.

Thank you for your leadership in helping to create consensus and a legislative product that has enthusiastic support by the majority of stakeholders. We look forward to working with you to see the Remote Transaction Parity Act of 2015 through to completion this year.

Sincerely,

A handwritten signature in blue ink that reads "Bill Rhodes". The signature is written in a cursive, flowing style.

Bill Rhodes
Chairman, President and CEO
Customer Satisfaction