



BIPARTISAN POLICY CENTER

June 24, 2015

The Honorable Jason Chaffetz
Member of Congress
2236 Rayburn House Office Building
Washington, DC 20515

Dear Representative Chaffetz:

As former Governors, we write to express our support for your legislation, the Remote Transactions Parity Act (H.R. 2775), which would provide states with the authority to require e-retailers to collect sales taxes just as the brick-and-mortar companies do.

As you know, due to a Supreme Court decision, states can require only stores that have a physical presence in that state to collect state sales taxes. This is important because these taxes are already owed by consumers under existing state use tax laws, but are not being collected by the e-retailer. With the growth in online purchasing, states are losing \$24 billion in annual revenues.

States have long been the laboratories of our democracy, and in this spirit many states have already banded together to begin the important process of tax code simplification. The Streamlined Sales and Use Tax Agreement (SSUTA) has been developed over the last decade through a partnership of state and business interests with the goal of making the tax collection process more efficient. Twenty-four states have already signed on to the agreement, and we expect more to join in the near future. The SSUTA is a common-sense compact that makes the collection of these taxes simple for retailers.

We look forward to working with you to advance your legislation.

Sincerely,

Governor Mike Beebe

Governor Jim Douglas

Governor Christine Gregoire

Governor Linda Lingle

Governor Sonny Perdue