



June 08, 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 California Retailers Association and the thousands of other Main Street retailers throughout California, I am writing today to offer our strong support of the Remote Transaction Parity Act of 2015 (RTPA). This legislation levels the playing field for Main Street brick-and-mortar businesses by closing a loophole that puts them at a competitive disadvantage to online retailers.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, fast food restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 164,200 stores with sales in excess of \$571 billion annually and employing 2,776,000 people—nearly one fifth of California's total employment. The retail industry in California represents one in every four jobs in the State, a total of nearly 5 million jobs (2009), and accounts for 17.8% of the State's GDP.

Because of a decades-old loophole that pre-dates the Internet, online-only companies can achieve as much as a 10-percent price advantage over brick-and-mortar retailers by not collecting state sales taxes. This special treatment means government is picking winners and losers in the marketplace with the end result being local businesses simply cannot compete over the long term with those who enjoy a government-sanctioned competitive advantage.

This loophole is costing jobs on Main Street while shortchanging state budgets by an estimated \$23 billion in uncollected state sales taxes annually, a figure that will only increase as Internet commerce continues to grow. Few Americans know that their state requires them to pay the sales tax on purchases made online if the vendor does not collect it at the point of sale, leaving consumers vulnerable to penalties, interest and increased scrutiny from state auditors. If enacted, the Remote Transaction Parity Act would remove this burden and in the process empower states to address their budget deficits without having to raise taxes – all without any cost to the federal government.

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The strong small business protections such as the audit protections that exist in The Remote Transaction Parity Act will allow businesses to comply with the law without having to deal with overly burdensome state regulations.

We 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 black ink, appearing to read "B. Dombrowski". The signature is written in a cursive, flowing style.

Bill Dombrowski
President & CEO