



STATE OF UTAH

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

GARY R. HERBERT
GOVERNOR

SPENCER J. COX
LIEUTENANT GOVERNOR

June 23, 2015

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Chaffetz,

Thank you for introducing the Remote Transactions Parity Act of 2015 (RTPA). This legislation is not a tax increase; rather, it presents a balanced approach to collecting the sales tax currently owed, but not collected, on remote transactions. Your effort to resolve this longstanding fairness issue facing Utah taxpayers, businesses, and the State is commendable.

The State of Utah has, in fact, long supported leveling the playing field with regard to remote transactions. After years of attempted reform by the states, it is evident Congress must act for final resolution. Your leadership in presenting legislation that will provide finality, predictability, and fairness for all parties in our state is critical.

As you may know, we are losing approximately \$200 million annually due to an inability to collect taxes owed on remote transactions. This loss of tax dollars effectively narrows Utah's tax base while increasing pressure to offset the lost revenue by raising tax rates. I believe you agree with me that a better approach is to cultivate a system that includes as many taxpayers as possible at the lowest feasible rates. RTPA will address these concerns and enhance our conservative tax policies while protecting the interests of both brick-and-mortar and remote retailers.

Congress must act to create a system that reflects the realities of our technological age while respecting our federal system. You have struck the appropriate balance with this legislation, and the State of Utah fully supports your efforts to bring parity to retail transactions.

Sincerely,

A handwritten signature in black ink that reads "Gary R. Herbert".

Gary R. Herbert
Governor