



*Champions for Effective Municipal Government*

TO: All Honorable Members of the Oklahoma Congressional Delegation  
FROM: Carolyn Stager, Executive Director  
SUBJECT: Market Place Fairness/Hybrid Origin Method of Collection/E-Fairness/Remote Transactions Parity Act  
DATE: July 15, 2015

The Oklahoma Municipal League (OML) representing 473 cities and towns throughout Oklahoma strongly supports Congress passing legislation to ensure purchases made electronically via the internet are subject to sales tax.

This issue is likely more important to the State of Oklahoma than any other state due to the fact that Oklahoma is the 'only' state where municipalities do not receive ad valorem for general operations, thus making our cities and towns 'overly' dependent on local sales tax as their single source of revenue.

This issue has taken on many terms/names the past few years including the latest "Remote Transaction Parity Act of 2015 (RTPA)" and Hybrid Origin Method of Collection. We are grateful there continues to be dialogue taking place at the federal level to solve this issue and are not tied in to any particular name, just know it is long over-due for this issue to be solved.

We understand there were hearings a few weeks ago by the House Judiciary Sub Committee where 'nexus' issues were discussed and although this topic was removed from the agenda, much of the conversation continued to revert back to this topic.

The Senate seems to have a stronger show of support than the House and are on record with legislation that was passed over two years ago. We are hopeful that the House of Representatives will advance their version of the bill during this Congress and we can get this issue resolved.

Although some would choose to avoid the issue by suggesting this is a new tax, we contend it is a tax that is being avoided and should be collected. This not only hurts the retail merchants in Oklahoma but the cities and towns who are responsible for managing the infrastructure, supporting new businesses, spurring innovation and attracting talent and investment to the state. Municipalities truly play a huge role in making the State of Oklahoma the 'great' state it is.

We respectfully ask your support when HR 2775 by Congressman Jason Chaffetz is presented for consideration. Latest numbers from the Oklahoma Tax Commission (OTC) suggest the loss of \$81.5 million to the state and \$66.7 million loss to local governments in 2015. This would provide much needed infrastructure funds to both state and local governments.

Please feel free to contact me if you desire additional information. As always, we are available to meet with you in person also. We look forward to hearing back with your position.