



6350 South 3000 East  
Salt Lake City, UT 84121  
Phone 801.947.3114

**VIA EMAIL AND U.S. MAIL**

June 15, 2015

The Honorable Jason Chaffetz  
Chairman, House Committee on Oversight and Government Reform  
2236 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Stephen A. Womack  
1119 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Chaffetz and Representative Womack,

Overstock.com welcomes and applauds the introduction of the Remote Transaction Parity Act of 2015 (the "RTPA"). We thank you each for your work and the work of your respective staff. We are committed to working with you on this legislation.

With the growth in online sales, states have sought ways to conscript remote retailers to collect sales taxes for states in which the remote retailer has no physical presence. However, states' efforts have been non-uniform and present to remote businesses costly and difficult compliance challenges. Further, without constitutionally required physical presence in a state, or enabling Congressional legislation, such state tax collection laws are unconstitutional.

Thus, we have long favored a federal solution, but only a solution which is fair and workable and addresses not just the states' collection problem but also the remote retailers' burdens of bearing the compliance costs and other risks state tax laws collectively present.

The RTPA is a workable solution we can support. It is a significant improvement over the Marketplace Fairness Act (the "MFA") and earlier iterations of similar destination-based solutions in several respects.

First, the RTPA addresses many of the concerns about how states, remote sellers and certified software providers will interact – such as a single audit and single returns, the cost of third-party software and implementation, and the limits of remote seller liability.

Second, the RTPA provides the mandated simplification be uniform among the states by removing the MFA's "non-preemption" provision which would have allowed states to ignore the MFA. This provision would have hobbled the MFA's utility and effect as thousands of taxing jurisdictions could have persisted in their current complex and disparate rules – in effect becoming a federal solution that solved nothing for remote retailers.

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Third, the RTPA allows for third-party certified software providers rather than forcing remote sellers to use state-provided software. This allows remote retailers to select the software that will best integrate with their individual IT systems.

Fourth, the RTPA explicitly defines nexus and does not create nexus for remote sellers when they collect and remit sales tax.

Fifth, the RTPA has a limited small seller exemption (with an essential electronic marketplace exception) which phases out at the end of three years.

While all states and retailers may not be completely satisfied with the RTPA, all interested parties must compromise. Certainly, we would rather not be conscripted as state sales tax collectors where we have no presence; however, we are willing to do so under the RTPA's balanced approach. We believe that the RTPA addresses the complexity of the state sales tax system in a manner that is not overly burdensome to either remote retailers or the states.

We remain open to and support other solutions – so long as they are fair, reasonable proposals that have a good chance of becoming law soon. We enthusiastically support the RTPA as introduced because we think it fits these criteria, and we commend you both for your hard, persistent work to develop a balanced, workable solution for a very complex and difficult issue.

Again, we thank you for your leadership in crafting this fair solution.

Sincerely,

A handwritten signature in black ink that reads "Jonathan E. Johnson III". The signature is written in a cursive style with a large, stylized "J" and "I".

Jonathan E. Johnson III  
Chairman of the Board of Directors