



StandWith
MainStreet

Conservatives Support E-Fairness

William F. Buckley, Editor At Large, National Review:

"If the advantage of tax-free Internet commerce marginally closes out local industry, reforms are required... The mattress maker in Connecticut is willing to compete with the company in Massachusetts, but does not like it if out-of-state businesses are, in practical terms, subsidized; that's what the non-tax amounts to. Local concerns are complaining about traffic in mattresses and books and records and computer equipment which, ordered through the Internet, come in, so to speak, duty free." (William F. Buckley, "[Get That Internet Tax Right](#)," National Review Online, 10/19/01)

Arthur B. Laffer, Chairman, Laffer Associates:

"In-state retailers collect sales taxes at the time of purchase. When residents purchase from retailers out of state (including over the Internet) they are supposed to report these purchases and pay the sales taxes owed—which are typically referred to as a "use tax." As you can imagine, few people do. The result is to narrow a state's sales-tax base. It also leads to several inefficiencies that, on net, diminish potential job and economic growth. Exempting Internet purchases from the sales tax naturally encourages consumers to buy goods over the Web; worse, the exemption incentivizes consumers to use in-state retailers as a showroom before they do so. This increases in-state retailers' overall costs and reduces their overall productivity." (Arthur B. Laffer, "[Tax Internet Sales, Stimulate Growth](#)," *The Wall Street Journal*, 4/17/13)

Representative Jason Chaffetz (R-UT-3):

"One of the principles that we bring to the table as conservatives is parity. If you are standing there buying the exact same product, whether it is in front of you at the store or you're buying it over the Internet, I believe the tax rate should be the same.

"What I worry about is the bumper-sticker politics that say this is a tax on the Internet. That is so fundamentally wrong and disingenuous and will do so much harm to this. It is a states' rights bill. States should be able to make the determination about how they tax." (Representative Jason Chaffetz, "Chaffetz: Online Sales Tax Bill Work Accelerating in House," Bloomberg Government, 4/ 4/ 2014)

Charles Krauthammer, Columnist and Political Commentator:

"The real issue here is the fairness argument – that if you're an old fashioned store, you have to have your customers and you pay the sales tax and online you don't. Which, I mean, you're already at a disadvantage if you're an old fashioned store: you have to have, you have to cover rent, you have to cover insurance and all that. So I think you want to have something that will level the playing field. You can do it one of two ways. You abolish all sales taxes for real stores and nobody pays. Or you get the Internet people to pay the sales tax as well. I think the second one is the only way to do it, obviously." ("[Friday Lightning Round: Internet sales tax bill](#)," Fox News Special Report with Bret Baier, 4/26/13)

Americans for Limited Government:

"The Goodlatte and Chaffetz hearing hopefully helped separate the wheat from the chaff on this basic fairness issue moving the ball toward states being allowed to decide for themselves if they want to collect out-of-state sales tax or not. For anyone who favors local control over issues related to taxation, then moving control over this issue from D.C. to the states is the

right choice." (Nathan Mehrens, President of Americans for Limited Government, "[Chaffetz is Tacking Internet Sales Tax Issue](#)," The Salt Lake Tribune, 3/15/2014)

Maine Governor Paul LePage:

"Last week, Gov. Paul LePage, R-Maine, wrote his state's two U.S. senators, Republicans Susan Collins and Olympia Snowe, to urge them to back legislation introduced by Sens. Mike Enzi, R-Wyo., Dick Durbin, D-Ill., and Lamar Alexander, R-Tenn., that would close a loophole left by a 1992 Supreme Court decision. The high court ruled that states can't require retailers such as catalog and now online retailers to collect sales taxes from customers in states where those companies have no physical presence. 'There's no denying that passing the bill would give thousands of small Maine businesses a real boost,' LePage wrote. 'Through no fault of their own, federal policy now gives some out-of-state corporations an unfair advantage over other Maine retailers.'" (Juliana Gruenwald, "Tea Party Governor Is Backing Net Sales Tax Bill," National Journal, 3/20/12)

Colin A. Hanna, President, Let Freedom Ring:

"By tacitly permitting most online retailers not to collect sales taxes the same way that brick-and-mortar retailers do, the federal government is in essence providing a government-created competitive advantage to a class of online e-tailers over the traditional retailers who are the backbone of American small business... Current law on Internet retail sales does not promote transparency; instead it countenances a hidden subsidy to a certain kind of business. To support this is not a conservative position and actually undermines one of conservatism's cardinal principles: the rule of law." (Colin Hanna, "[Level the Playing Field between Retailers and E-Tailers](#)," *The Hill*, 3/19/2013)

Indiana Governor and former Representative Mike Pence:

"I don't think Congress should be in the business of picking winners and losers. Inaction by Congress today results in a system today that does pick winners and losers." (House Judiciary Committee, Hearing On "Constitutional Limitations On States' Authority To Collect Sales Taxes In E-Commerce," 11/30/11)

Christopher Caldwell, Senior Editor, The Weekly Standard:

"California governor Jerry Brown killed two birds with one stone last month when he signed a law that would require internet retailers to collect the state's 7.25 per cent sales tax. He was raising needed revenue. And he was addressing a great injustice of the information age. State and federal legislators made a big mistake when they exempted e-commerce from taxes in the 1990s. They were giddy with the rhetoric of cyberanarchism and inspired by anti-tax yahoos convinced raising revenue is an optional part of running a government. The kindest thing one can say about the policy is that it constituted an overgenerous subsidy to an infant industry." (Christopher Caldwell, "Why Amazon's Tax-Free Landscape Needs Bulldozing," *The Financial Times*, 7/15/11)

Texas Conservative Coalition:

"Under House Bill 2403, a company with an arrangement such as Amazon's would appear to be 'a retailer doing business' in Texas under points 1,4,5 and possibly 2 and 3 (more facts would be needed to evaluate whether Amazon satisfies points 2 and 3). Again, this leaves aside the point that Amazon appears to be subject to sales tax under current law. The push to gather back taxes from online companies such as Amazon is taking place all around the country, not just in Texas. This push has been criticized by some as misplaced. Amazon appears to fall squarely within the current law that requires a retailer to collect sales taxes if it does business in this state. Amazon owns a 'place of distribution' or 'warehouse' through its subsidiary. Moreover, 'it engages in regular or systematic solicitation of sales of taxable items in this state' by routinely e-mailing advertisements Texas customers." (Bill Analysis, Texas Conservative Coalition, March 2011)

Al Cardenas, Chairman, American Conservative Union (ACU):

"A robust free-market system requires a level playing field, where the government doesn't get to pick winners and losers in the marketplace. Senator Enzi and Congressman Womack deserve praise for their efforts to empower states to make their own revenue policy choices and create a fair system of tax collection. The number one threat to the future of American competitiveness isn't other countries-- it's our tax law. When it comes to state sales taxes, it is time to address the area where federally mandated prejudice is most egregious — the policy towards Internet sales, the decades-old inequity between online sales and in-person sales as outdated and unfair." ("[Statement from ACU Chairman Al Cardenas Applauding Efforts to Address Marketplace Fairness](#)," Press Release, 2/14/13)

Hanns Kuttner, Hudson Institute:

"Current policy gives remote sellers a price advantage, allowing them to sell their goods and services without collecting the sales tax owed by the purchaser. This price difference functions like a subsidy. It distorts the allocation between the two forms of selling. The subsidy from not collecting tax due means a larger share of sales will take place remotely than would occur in a free, undistorted market." (Hans Kuttner, "[Future Marketplace: Free and Fair](#)," May 2012.)

James L. Martin, Chairman, The 60 Plus Association:

"The vast majority of America's seniors agree that, as a matter of fundamental fairness and personal responsibility, laws should not favor those who have the ability to avoid properly owed taxes by conducting business out of state, or in the tax haven of web commerce... [I]nternet commerce is not an infant industry that requires protection, but is now well ingrained and established in the lifestyle of nearly every American. To allow it to remain a haven for tax avoidance hurts us all, and needlessly complicates tax policy by forcing states to attempt to predict consumer trends and behavior. The 60 Plus Association stands with the unanimous bi-partisan coalition of Governors across the United States who ask you to support this fair, necessary and commonsense measure." (James L. Martin in a letter to Congress, 3/19/2013)

Representative Paul Ryan (R-WI-1):

"To me, I think the concept is right... It's only fair that the local brick-and-mortar retailer be treated the same as the big-box online sales company out of state." (Ryan Ekvall, "[Paul Ryan talks immigration reform, taxation at Janesville town hall](#)," Wisconsin Reporter, 4/29/13)

Ned Ryun, President and Founder of American Majority:

"One of the basic principles of the conservative movement is that the market, not the government, should pick economic winners and losers. The only role that government should play is to ensure a fair and level playing field. When it comes to sales taxes, that principle has gone out the window in the Internet age... The tax discrimination in favor of online sales is unfortunately another example of a federal government that has lost its way by clinging to its power. Under federalism and the 10th Amendment, powers not vested in the federal government are retained by the states... Decisions that can be made by governors and state legislatures—who are close to the people and thus responsive to citizens' needs—should be left at the state level. That is the heart of true federalism. (Ned Ryun, "[Main Street Deserves A Level Playing Field](#)," *The American Spectator*, 3/15/2013)

Stephen DeMaura, President of Americans for Job Security:

"The Marketplace Fairness Act is a workable solution that finally levels the playing field for small businesses and empowers states to collect the taxes that are already owed. For states like Montana, New Hampshire, Delaware, and Oregon that currently have no sales tax, nothing will change. For those that do have a sales tax, states will merely be empowered to

have online retailers collect the existing sales tax from consumers at the time of purchase, like our local retailers do. Most importantly, the Marketplace Fairness Act makes these reforms in a way that puts the ultimate taxpayer first, protecting individuals, empowering consumers, and encouraging economic growth." (Stephen DeMaura, "[Online Sales Taxes Done Right](#)," Real Clear Policy, 3/15/2013)

Curtis Risky, Executive Director, CBA, The Association for Christian Retail:

"Unfortunately, due to a loophole caused by the 1992 Quill Supreme Court decision, our independent Christian retailers are put at disadvantage because Internet-only companies are not required to collect sales taxes. This unlevel playing field has resulted in staffing reductions and the closing of many of our independent Christian retailers over the past few years, threatening the very existence of our membership and their ability to serve our Christian communities... As the saying goes, a sale, is a sale, is a sale, and our sales tax collection policies should be the same regardless if an item was purchased online or through one of our members' store fronts. Local independent businesses are a more important economic generator for our communities than out-of-state businesses seeking tax avoidance." (Curtis Risky in a letter for Senator Roy Blunt, April 2012)

New Jersey Governor Chris Christie:

Governor Chris Christie: "I just want to make clear that I have been working on this issue in my role on the executive committee of the National Governors Association because it is an important issue to all the nation's governors. And I too – along with governors like Governor Daniels and others – urge the federal government and the Congress in particular to get behind Senator Lamar Alexander's legislation to allow states to be able to make these choices for themselves. And I think Senator Alexander's legislation would be a great step forward in that regard. It would give states options to decide how they want to deal with this and not have to any longer deal with the federal prohibition on dealing with it. So, it would allow us to do it in a much more uniform and broader way. So, I'm with Governor Daniels on this and other Republican governors – Governor Snyder of Michigan and others who feel strongly about it. And we've been working on it at the National Governors Association and I know we will continue to and hope to get some type of resolution to it by the end of this year." (Press Conference, Governor Chris Christie, 5/31/12)

Michigan Governor Rick Snyder:

'Technology currently exists to quickly and effectively calculate taxes due on sales and can be easily be integrated into online retailers' operations,' wrote Snyder, a onetime venture capitalist and former executive at the computer company Gateway. 'It is time for Congress to grant states the authority to enforce sales tax and use laws on all retailers doing business in their state.' (Bernie Becker, "Michigan Governor Joins Online Sales Tax Chorus," *The Hill*, 5/11/12)

Alabama Governor Robert Bentley:

"Alabama's Republican governor has urged lawmakers from his state to support online sales tax legislation, adding to the growing roster of GOP officials who are on board with the idea. Gov. Robert Bentley told Alabama's two senators and seven House members the online sales tax bills would improve the state's fiscal situation, and stressed that the legislation would not create a new tax. 'The bills will give Alabama the authority to collect sales taxes – as we currently do from local brick-and-mortar retailers – that are already owed from online retailers,' Bentley wrote in a letter dated April 19. 'Allowing us to effectively close this sales tax loophole would help both our state's finances and our state's small businesses.'" (Bernie Becker, "Alabama Governor Gets Behind Online Sales Tax Push," *The Hill*, 4/25/12)

Utah Governor Gary Herbert:

"On March 24, 2012, Utah Governor Gary Herbert signed into law an affiliate nexus bill that will require certain remote sellers to collect and remit Utah sales tax, effective July 1, 2012. An out-of-state seller will be considered to have nexus in Utah if the seller holds a substantial ownership interest in, or is owned in whole or in substantial part, by a related seller, and the seller sells the same or a substantially similar line of products as the related seller and does so under the same or a substantially similar business name, or the place of business of the related seller or an in-state employee of the related seller is used to advertise, promote, or facilitate sales by the seller to the purchaser." ("Utah Enacts Affiliate Nexus Bill," Sales Tax Institute, 3/24/12)

Idaho Governor C.L. "Butch" Otter:

"Gov. C.L. 'Butch' Otter backs taxing Internet sales to level the playing field between virtual businesses and brick-and-mortar establishments on Idaho's Main Street. Otter made the remarks to Idaho chamber of commerce leaders meeting in Boise on Monday." ("Idaho Governor Supports Internet Sales Tax," The Associated Press, 1/30/12)

Former Indiana Governor Mitch Daniels:

"[S]ales taxes that [states] impose ought to be paid, and paid by everybody equally and collected by everybody in the retail business ... We're not talking about an additional or new tax here – we're talking about the collection of a tax that's existed a long time." (Jeremy Hobson, "Indiana Makes A Deal With Amazon On Sales Taxes," Marketplace Business, 1/12/12)

Georgia Governor Nathan Deal:

"Gov. Nathan Deal is considering extending the state sales tax to online purchases, he told newspaper publishers Thursday morning ... 'In the absence of congressional activity on that ... I think there will be some appetite to act on that in the legislature,' he said." (Walter C. Jones, "Ga. Considers Online Sales Tax," The Augusta Chronicle, 1/12/12)

Tennessee Governor Bill Haslam:

"The National Governors Association applauds your efforts to level the playing field between Main Street retailers and online sellers by introducing S. 1832, the 'Marketplace Fairness Act.' This common sense approach will allow states to collect the taxes they are owed, help businesses comply with different state laws, and provide fair competition between retailers that will benefit consumers." (National Governors Association Letter To Sens. Durbin, Enzi, Tim Johnson And Alexander Endorsing S. 1832, The Marketplace Fairness Act, 11/28/11)

Arkansas Senator John Boozman:

"The situation that we're getting into now is that you've got the main street, especially in smaller communities, I know in the area, I'm living in Rogers now, I think the sales tax is about 9 percent, maybe about 9 and a half percent range, so when you start out 9 percent behind, then you've got problems ... So, you know, when you look at the trajectory, online sales are heading, you know, just upwards as quickly as they can do. If you'd ask me this question 10 years ago I'd say no, you know, leave the Internet alone, you know, let them establish themselves and stuff. Right now they're very much established, so I don't think it's fair, and so the bill I would like to see ... I think it's a state's rights issue, I think the states ought to be allowed, this is a Commerce issue I believe, we need to make it such that the states can allow themselves to do that and then enforce it and then go from there. But I do think right now it is not a level playing field and you know you look at rural America and its very, very difficult with the economy that we've got, but when you have this tremendous inequity it makes it that much harder.'" (Interview, "Talk Politics," 9/15/11)

South Dakota Governor Dennis Daugaard:

"On March 11, South Dakota enacted S.B. 146, sales tax legislation that requires out-of-state retailers that sell to in-state residents to notify their customers of their personal use tax obligation. Under the law, online sellers are required to provide clear notice to consumers during the checkout process that a South Dakota use tax is due." (Rosemary Hawkins, "Sales Tax Bills Pass In Arkansas And South Dakota," American Booksellers Association, 3/3/11)