



South Dakota Retailers Association
P.O. Box 638
320 East Capitol
Pierre, SD 57501

June 8, 2015

The Honorable Representative Kristi Noem
United States House of Representatives
2422 Rayburn House Office Building
Washington, DC 20515

Dear Representative Noem,

On behalf of the South Dakota Retailers Association and the thousands of other Main Street retailers throughout South Dakota, I am writing today to ask for your support of the Remote Transaction Parity Act. 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 retail giants. We are asking you to join U.S. Representatives Jason Chaffetz (UT-R) and Steve Womack (AR-R) in becoming a cosponsor of this important legislation.

As you know, one in four jobs in South Dakota is supported by a retail business and the industry generates an economic impact of over \$6.7 billion in the state.

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 online giants that 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 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 from your constituents and in the process empower states to address their budget deficits without having to raise taxes – all without any cost to the federal government.

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

In closing, this legislation is important to the South Dakota Retailers Association and the thousands of retailers within the state of South Dakota. We ask that you join as a cosponsor of the Chaffetz-Womack Act, and to call for its immediate consideration.

Sincerely,

Shawn Lyons
Executive Director
South Dakota Retailers Association