



June 12, 2015

The Honorable Jason Chaffetz
US House of Representatives
Washington, DC 20515

The Honorable John Conyers
US House of Representatives
Washington, DC 20515

The Honorable Steve Womack
US House of Representatives
Washington, DC 20515

The Honorable Jackie Speier
US House of Representatives
Washington, DC 20515

The Honorable Kristi Noem
US House of Representatives
Washington, DC 20515

The Honorable Peter Welch
US House of Representatives
Washington, DC 20515

The Honorable Steve Stivers
US House of Representatives
Washington, DC 20515

The Honorable Suzan DelBene
US House of Representatives
Washington, DC 20515

Dear Representatives Chaffetz, Conyers, Womack, Speier, Noem, Welch, Stivers & DelBene:

On behalf of Target, thank you for authoring the Remote Transaction Parity Act (RTPA). I am writing to express our strong support for this legislation that seeks to close an anti-competitive loophole and level the playing field for all retailers.

As you know, as a result of a decades-old loophole that pre-dates the growth in online sales, online-only retailers hold a significant price advantage over omnichannel retailers by not collecting state sales taxes. These laws don't reflect today's marketplace and effectively creates a competitive disadvantage for companies like Target that collect state and local sales taxes for both online and in-store purchases. Ensuring a level playing field has never been more important to Target as more and more of our guests are shopping our digital channels. For example, last quarter digital sales grew nearly 40 percent and account for a significant share of our overall sales growth.

Your legislation recognizes that addressing the collection of online sales taxes must be based on destination sourcing. This approach is necessary to solve the current price disparity at the point of purchase. Most importantly, a destination sourcing approach ensures that residents will continue to pay the sales taxes of the state in which they reside, rather than to a state they have no affiliation with and which may carry a higher sales tax rate than their own home state does. Additionally, RTPA requires several important simplification and business protections.

We also appreciate your efforts to unite all impacted stakeholders who seek to restore free market competition to America's marketplace. Target appreciates your leadership on this important issue and we look forward to continuing to support your efforts to pass a new federal law.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Zabel". The signature is stylized with a large, sweeping "M" and "Z".

Matt Zabel
Vice President, Government Affairs
Target