

June 08, 2015

The Honorable Jason Chaffetz
United States House of Representatives
2236 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Womack
United States House of Representatives
1119 Longworth House Office Building
Washington, DC 20515

Dear Representatives Chaffetz and Womack;

On behalf of Virginia Retail Federation, and the thousands of other Main Street retailers throughout Virginia, I am writing today to offer our strong support of the Remote Transaction Parity Act of 2015 (RTPA). 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.

The Virginia Retail Federation is the advocacy arm of the Retail Merchants Association (RMA) and the Retail Alliance (RA).

Historically, the RMA has served Greater Richmond, and the RA has served Greater Hampton Roads. The Virginia Retail Federation (VRF) geographically expands the coverage areas to serve all of Virginia's retailers as the lobbying arm with grass-roots advocacy statewide.

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 that 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, our membership wants to again reiterate our thanks for your leadership in helping to create consensus and a legislative product that has enthusiastic support by the majority of stakeholders. We look forward to working with you to see the Remote Transaction Parity Act of 2015 through to completion this year.

Sincerely,

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