



March 8, 2013

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The Honorable Barbara Boxer
112 Hart Senate Office Building
Washington, DC 20510

Dear Senator Boxer:

On behalf of the California State Association of Counties (CSAC), I am writing to urge you to cosponsor the Marketplace Fairness Act of 2013 (S 336), which would allow states to enforce local sales and use tax laws on remote sales. Improving tax collection has long been of interest to California's counties, especially with the increasing volume of sales occurring over the internet.

While traditional retailers – often referred to as “brick and mortar” shops – are required to collect and remit sales taxes, the Supreme Court's Quill decision severely limits the ability of states to collect the taxes owed on sales made over the internet. While the consumer is generally responsible for calculating the use tax on remote purchases and remitting the payment to the relevant jurisdiction(s), compliance is extremely low. As a result, millions of purchases each day are not properly taxed, costing state and local governments billions of dollars in uncollected revenue each year. The Marketplace Fairness Act, however, would help stop the erosion of the local tax base and provide the needed resources to fund critical county priorities, such as public health, transportation, and public safety.

CSAC appreciates that S 336 provides an alternative to joining the Streamlined Sales and Use Tax Agreement (SSUTA). States like California that have not signed onto the SSUTA could instead choose to adopt a minimum set of simplification requirements. The legislation also includes some other positive features, such as requiring retailers to collect the full destination rate – the applicable state and local tax rate – on remote sales. In addition, CSAC supports language specifying that the bill only applies to remote purchases and would have no effect on intrastate sales or intrastate sourcing rules.

Thank you for your continued support of California's counties and for your consideration of this request. If you have any questions or need any additional information, please feel free to contact Hasan Sarsour, CSAC Federal Representative, Waterman & Associates at (202) 898-1444, or Jean Kinney Hurst, CSAC Senior Legislative Representative, at (916) 327-7500 ext. 515.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Z. Cate".

Matt Cate
CSAC Executive Director

cc: The Honorable Dick Durbin
The Honorable Michael Enzi
The Honorable Lamar Alexander