



July 18, 2013

The U.S. Senate passed S. 743 in early May, now the legislation awaits action in the House of Representatives.

The Marketplace Fairness Act is being advanced to preclude Federal tax code from favoring one class of retail merchants – online merchants – at the expense of another – bricks and mortar merchants. The legislation will require online retailers to collect sales taxes on retail purchases in the same manner in which local merchants now do. This simple change will level the playing field merchant to merchant and reduce the incentive of consumers to shop the showrooms of local merchants but then make purchases online, in so doing avoiding the payment of sales taxes and achieving automatic and unfair discounts. El Dorado Hills merchants such as Face In A Book deserve better than this.

The El Dorado Hills Chamber of Commerce formally supports the Marketplace Fairness Act. The Chamber believes that one of the defining characteristics of a healthy community and a healthy culture is a healthy center of commerce. The tax revenues collected on retail sales are a principal source of revenue for local government, funding essential local services. While the Chamber fully supports online retailing as a part of a healthy economy, the Chamber opposes tax policies which stifle fair competition. Tax policy ought not to be encouraging consumers to avoid their local centers of commerce, their local businesses and their fellow citizens as local retail employees.

The estimated loss to local governments in the United States under current tax policy is estimated to be approximately \$22 billion to \$24 billion per year. These are taxes which are supposed to be voluntarily declared and paid by individuals each April 15th, but are not. The Marketplace Fairness Act does not impose a new tax; rather, it modifies tax code to fit consumer practices. For this reason the State of California adopted similar legislation in 2011, with support of major online merchants such as Amazon.com.

If you would like to support Marketplace Fairness Act, please visit <http://www.marketplacefairness.org/support/> to sign on.