November 17, 2014

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

On behalf of the National Conference of State Legislatures (NCSL), we congratulate you on your re-election to Congress and your re-nomination as Speaker of the House. We are pleased that you will be joined in the House by 221 current and former state legislators like yourself. We offer you and them our best wishes for a successful 114th Congress.

We also write to you on behalf of our colleagues across the country to express our disappointment and frustration with the announcement by your office that the Marketplace Fairness Act (MFA) will not move forward this year in the House of Representatives as “further review is needed by the Judiciary Committee.” With all due respect, legislation to give states the authority to require the collection of sales taxes by remote sellers has been under review by the Judiciary Committee for more than 12 years and the subject of numerous hearings. In this Congress, MFA legislation has sat in the Judiciary Committee for 19 months, while job-creating brick and mortar stores struggle to compete against remote retailers, who enjoy tacit congressional approval of their unfair advantage. The time for consideration and adoption of this important legislation is now, 12 years of congressional consideration and debate is enough.

NCSL estimated that in 2012 states lost an estimated $23 billion because of uncollected sales taxes from remote transactions. Recently, the conservative National Taxpayers Union stated that the revenue loss for states is now as high as $34 billion to $35 billion a year and will continue to grow. Congress’ failure to act on this legislation not only impacts our ability to manage our states’ fiscal resources, it also places our main street retailers, the economic backbone of many of our communities, at a competitive disadvantage to online sellers and forces millions of honest Americans into tax avoidance.

In passing the MFA this year, Congress will ensure that retailers in West Chester, Ohio, are not competing against large online sellers that offer the same product at a 5.75 percent price reduction. Congress should not be deciding winners or losers in the marketplace, it must treat all sellers the same. Congress must not be an obstacle to the desire of the Ohio General Assembly and other state legislatures to reduce state income taxes by using the “new” revenue from previously uncollected sales taxes or be responsible for raising taxes in Virginia in January to fund transportation improvements.
On behalf of our colleagues, we respectfully request that you allow the Marketplace Fairness Act or similar e-fairness legislation to come to a vote in the House or include it in legislation to fund the federal government for 2015. We know MFA has the support of the majority of both the Republican and Democratic caucuses in the House. It is time to end the unfair discrimination against Main Street.

Sincerely,

Senator Debbie Smith  
Assistant Minority Leader, Nevada Senate  
NCSL President

Senator Curt Bramble  
President Pro Tem, Utah Senate  
NCSL President-elect