

September 1, 2016

Dear Chairman Goodlatte,

We write to convey our strong support for the House Judiciary Committee discussion draft of the Online Sales Simplification Act (OSSA) that was released on August 25. Businesses need a simple and practical solution for remote sales tax collection, especially since many states have enacted laws that reach across borders to impose tax obligations. As currently drafted, this proposal would rationalize the patchwork of state laws while leveling the retail playing field for consumers, states and businesses – both large and small.

More and more, states are trying to subvert the 1992 Supreme Court ruling in *Quill v. North Dakota*, which prevents any state from interfering in interstate commerce by limiting its tax reach to businesses with a physical presence there. Recently, several states have adopted laws and regulations that intentionally violate that Supreme Court doctrine. Their aim is to extend their taxing powers beyond their borders into other states. The result is that businesses across the United States are now confronted with an onerous, confusing, and conflicting patchwork of taxation and regulation in states where they have no representation, and the nation is saddled with increasingly unreasonable and unnecessary burdens on interstate commerce.

Only Congress can bring certainty and rationality to this situation. What's needed is a simple solution that works for all stakeholders. Earlier destination-based legislative proposals (e.g., the Marketplace Fairness Act (MFA) and the Remote Transactions Parity Act (RTPA)) would create additional costs and complexity for interstate sellers. These proposals would expose even small businesses located in a single state to regulation and taxation by auditors from 46 states. Were this to happen, it could significantly hinder the incredible innovation and competition that is benefiting consumers everywhere. Additionally, we should take a lesson from the experience of the European Union and avoid repeating their admitted mistake of burdening sellers with destination-based sales tax.

Against this backdrop, the committee's approach in this OSSA discussion draft is a marked improvement. It relies upon sound principles to create a simple and fair process for remote sales tax collection and remittance. Unlike the destination-based proposals, it eliminates the need for interstate sellers to learn the taxing rules of thousands of jurisdictions. Instead of being forced to submit to audits in multiple states, sellers would be subjected to audits only in states where they have a physical presence. The committee bill also eliminates unnecessary and excessive costs for sales tax compliance, including the need for complex, expensive and risky software integrations and the need for companies to map each product they sell to the intricacies of new software systems.

A key feature of the committee's proposed simplification is that each participating state will identify a single sales tax rate for remote sales. And by clearly defining and

codifying what is and is not “physical presence,” the bill would tame the chaos of multiple states reaching across their borders and should avoid many of the conflicting court decisions and state legislation and regulation on that subject.

This legislation, as currently drafted, is clear, fair and simple. The result is exactly what is required to level the playing field for all stakeholders: Sales taxes would be collected by out-of-state sellers and remitted to their home state, who would route those taxes to the state where products are delivered. This will go a long way toward protecting interstate commerce from unchecked taxation and regulation without representation, a bedrock principle upon which this country was founded. You can count on our support for this measure.

Sincerely,

ACR Resource Group, Inc.

[American Catalog Mailers Association](#)

[AmeriMark Direct](#)

[AmeriMark Holdings, LLC](#)

[Anthony Richards](#)

[Ashro, Inc.](#)

[Auditions](#)

[B.A. Mason](#)

[Back in the Saddle](#)

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