

United States Senate

March 12, 2018

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

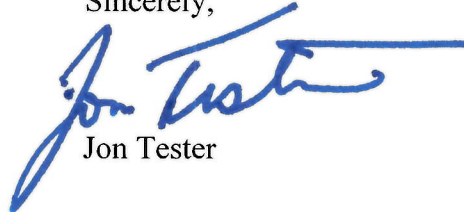
I write to follow up on our recent conversation during your testimony before the Senate Banking, Housing, and Urban Affairs Committee about the misleadingly titled Marketplace Fairness Act. Small businesses from every corner of Montana and Montana's Department of Revenue all agree that this federal sales tax legislation would stifle economic growth, add burdensome regulations, and provide no benefit to businesses or the State of Montana's bottom line. I am strongly opposed to this sales tax bill and I respectfully urge the Administration to reconsider its position on this bill that would add unfunded costly regulations to small businesses in Montana and would effectively create a national online sales tax.

While I am disappointed to learn of your support this legislation in recent weeks, I'm pleased you eluded to your support for finding a workable solution for states with no-sales tax, who would gain nothing from the passage of this bill. Montanans have spoken loud and clear that they do not support a sales tax, and we must listen to them. The Marketplace Fairness Act picks winners and losers and non-sales tax states like Montana are left filling the coffers of other states. Asking small businesses all across Montana to remit taxes to nearly 10,000 different tax jurisdictions across the United States will be costly and overly burdensome. To make matters even worse, the State of Montana will not see any offsets from this tax regime.

In addition, this bill's attempt to provide adequate safeguards for small businesses in states with no sales tax falls well short of what is necessary for states like mine. This bill would also do nothing to prevent small businesses in Montana from being summoned to other states for unnecessary and expensive audit proceedings. I am also very concerned that exemption for small business included in this legislation is far too small and would not provide a workable solution for Montana's businesses.

I appreciate your commitment to find an amicable solution and would encourage you to publically share your support for exempting non-sales tax from this harmful piece of legislation. I would also urge the White House to oppose the inclusion of the Marketplace Fairness Act into any spending bill, until a solution can be worked out for non-sales tax states like Montana. I appreciate your attention to this matter and look forward to working with you to find a solution that works for small businesses all across Montana.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Tester", with a long horizontal flourish extending to the right.

Jon Tester