

# United States Senate

WASHINGTON, DC 20510

April 22, 2016

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
The Capitol, Room S-230  
Washington, D.C. 20510

The Honorable Harry Reid  
Minority Leader  
United States Senate  
The Capitol, Room S-221  
Washington, D.C. 20510

Dear Leader McConnell and Leader Reid:

We write today to indicate our continued opposition to federal legislation to impose sales tax collection requirements on small businesses operating on the Internet. As representatives of states that do not have a sales tax collection requirement, we will object to any effort to advance such legislation in the Senate this year.

For small businesses that have been able to reach new markets through the Internet, online sales have become an increasingly important source of their success. By reaching new markets across the country, small online retailers have been able to grow their businesses and create jobs. Unfortunately, Internet sales tax proposals have the potential to stifle that growth by imposing new red tape and creating the potential for abusive audits from states in which our small businesses have no representation.

This burden will be especially difficult for small businesses, which have no experience collecting a sales tax. As a result of these requirements, online retailers with no experience collecting a sales tax would face daunting red tape and bureaucratic hurdles dealing with thousands of tax jurisdictions across the country. This would be a disaster for these companies, which lack the time and resources to collect sales taxes for other states. Our states will face these burdens without seeing any benefits from Internet sales tax legislation.

As you know, Congress recently took a major step to keep the Internet tax free by passing and making permanent the Internet Tax Freedom Act (ITFA). Some have suggested that ITFA's enactment will help pave the way for passage of an Internet sales tax bill. We disagree, and we will strongly oppose any bill that will impose undue collection burdens on our small businesses and consumers.

As the Senate considers future tax legislation, we are committed to protecting small businesses and to ensuring that our states are able to make their own sales tax decisions. It is critical that any Internet sales tax legislation does not impose new compliance burdens on small companies.

We appreciate your attention to this issue, and look forward to working with you to ensure that small businesses in our states are protected.

Sincerely,

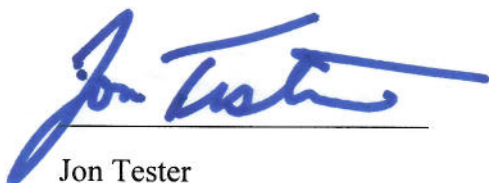
 

Jeanne Shaheen

Jeff Merkley

United States Senator

United States Senator



Jon Tester

United States Senator