



NATIONAL  
ASSOCIATION of  
REALTORS®

Gary Thomas  
2013 President

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Dear Senator:

The one million members of the National Association of REALTORS®, and their affiliates the Institute of Real Estate Management and the CCIM Institute, strongly support passage of S. 743, the “Marketplace Fairness Act”, sponsored by Senators Enzi (R-WY), Durbin (D-IL), Heitkamp (D-ND), and Alexander(R-TN).

This bipartisan legislation will help to modernize our nation’s tax policy and provide equity between online and brick-and-mortar retailers. Many consumers who purchase goods online believe they are exempt from sales tax if the seller does not add it in with the purchase. However, under current law, online buyers are subject to an equivalent use tax to their home state even when the seller does not collect sales tax. Consumers who live in states with a sales tax are legally obligated to report and pay sales or use taxes on ALL purchases made online, although the majority of them are unaware of this obligation, and very few comply. Conversely, brick-and-mortar retailers are required by law to collect the tax on behalf of the state. This puts some brick-and-mortar stores at a tremendous disadvantage because many online retailers are not obligated to collect sales tax, which leads consumers to believe they pay less for online goods.

States cannot require online retailers to collect the tax on their own. In the 1992 U.S. Supreme Court case *Quill vs. North Dakota*, the Court determined that states cannot compel out-of-state sellers to collect their sales taxes because the burden would be a violation of interstate commerce. In fact, the Supreme Court stated in the *Quill* decision that the problem "is not only one that Congress may be better qualified to resolve, but also one that Congress has the ultimate power to resolve."

We urge you to exercise this power. This is not a new tax. S. 743 will allow states to be able to enforce their current sales and use tax laws on every business selling in their state. Whether a business is located on Main Street or online, it shouldn’t be exempt from collecting and remitting sales taxes.

Sincerely,

Gary Thomas  
2013 President, National Association of REALTORS®



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