

MARKETPLACE FAIRNESS COALITION

July 25, 2017

Congressman Robert Goodlatte
Chairman
Committee on the Judiciary
US House of Representatives
Washington, DC 20515

Congressman John Conyers
Ranking Member
Committee on the Judiciary
US House of Representatives
Washington, DC 20515

Congressman Tom Marino
Chairman
Subcommittee on Regulatory Reform,
Commercial and Antitrust Law
US House of Representatives
Washington, DC 20515

Congressman David Cicilline
Ranking Member
Subcommittee on Regulatory Reform,
Commercial and Antitrust Law
US House of Representatives
Washington, DC 20515

Dear Chairman Goodlatte, Ranking Member Conyers, Chairman Marino and Ranking Member Cicilline;

The members of the Marketplace Fairness Coalition, a diverse group of like-minded organizations representing millions of American employers, are disappointed in the lack of action on the most pressing interstate commerce issue for America's Main Street merchants - remote sales tax parity - in today's legislative hearing on H.R. 2887, the No Regulation Without Representation Act.

For more than 4 years our coalition has worked extensively with the House Judiciary Committee to find a legislative solution to level the playing field for all merchants with simplification and protections for remote sellers that reflect the realities of today's dynamic multichannel marketplace. The deficiencies in our current system of remote sales and use tax collection are a growing problem in need of Congressional resolution.

Instead of moving forward with bipartisan legislation such as H.R. 2193, the Remote Transactions Parity Act, the committee is considering dangerous and overreaching legislation that codifies the outdated physical nexus model, negates significant consumer protections and undermines states' rights.

We have continually encouraged the committee to exercise its constitutionally granted interstate commerce authority, but believe that good policy would dictate that this responsibility should be undertaken on a direct and specific case-by-case basis. Unfortunately, under Chairman Goodlatte's leadership the committee has been unable to fulfill that role.

As you know, the Supreme Court has addressed this failure and invited further litigation. Specifically, in his concurring opinion in *Brohl v DMA*, Justice Kennedy stated, "Given changes in technology and consumer sophistication, it is unwise to delay any longer a reconsideration of the Court's holding in *Quill*. A case questionable even when decided, *Quill* now harms States to a degree far greater than could have been anticipated earlier.... The legal system should find an appropriate case for this Court to reexamine *Quill* and *Bellas Hess*."

In the absence of Congressional action, states are pursuing litigation to overturn the *Quill* decision. The outcome of this litigation will certainly alter the dynamic that currently provides an opportunity for a balanced legislative solution to the remote sales tax problem.

The Marketplace Fairness Coalition remains committed to working with Congress to take advantage of the unique and timely opportunity to address various issues related to state taxation and nexus this year under the shared collective objective to: 1) provide a simple, efficient and logical process to remove disparity at the point of purchase; 2) protect businesses from regulatory overreach; and 3) meet the critical needs of the communities which we serve.

It is our hope that regular order can proceed to move legislation based on destination-based remote sales tax parity combined with robust small business protections and regulatory simplifications to curtail state regulatory overreach on the collection of remote sales and use taxes. We look forward to having the opportunity to continue to work with you, the Committee and other interested Members of Congress to reach consensus on a workable remote tax collection resolution and enact it this year.

Sincerely,

Members of the Marketplace Fairness Coalition

36 Lyn Refuel Station, Minneapolis, MN
Acadia Realty Trust, Rye, NY
Alabama Retail Association
American Booksellers Association
American Lighting Association
American Supply Association
American Veterinary Medical Association
The Amish Connection, Albuquerque, NM
Antique Garden, Norman, OK
Ascena Retail Group, Mahwah, NJ
Auto Care Association
Barnes & Noble, New York, NY
Beall's, Inc., Bradenton, FL
BFJ Interiors, West Frankfort, IL
Biltrite Furniture, Greenfield, WI
Blackledge Furniture, Corvallis, OR
Bookpeople, Austin, TX
Brixmor Property Group, New York, NY
Brandsmart, Ft. Lauderdale, FL
Buyer's Paradise, Somerset, KY
Carruth Furniture Company, Landrum, SC
Casual Dining and Bar Stools, San Diego, CA
CB Stuffer, Swampscott, MA
CBL & Associates Properties, Inc., Chattanooga, TN
Chrysolite Management Group, Kingsport, TN
Collectic Home, Austin, TX
Colorado Retail Council
The Comfortable Chair Store, Roswell, GA
Country Woods Furniture, Manchester, NH
Darrons Interiors, Columbus, OH
Dave's Soda and Pet City, Agawam, MA
Designer Furniture Gallery, St. George, UT
Deterdings, Kearney, NE
Dick's Sporting Goods, Coraopolis, PA
Dillard's, Inc., Little Rock, AR
DLC Management Corporation, Tarrytown, NY
E.R. Brown Furniture, West Frankfort, IL
Evergreen Devco, Inc., Phoenix, AZ
Federal Realty Investment Trust, Rockville, MD
Fisher Furniture, Ronks, PA
Flairmont Furniture-Carpet One, Montrose, CO
Frank's Furniture, Lawndale, CA
Furniture Warehouse Sales, Lyman, SC
GGP, Inc., Chicago, IL
Glimcher Legacy, Columbus, OH
Green Bambino, Oklahoma City, OK

Havasu Furniture & Bedding, Lake Havasu City, AZ
Heating, Air-conditioning & Refrigeration Distributors International (HARDI)
Home Furnishings Association
Homestead House, Conroe, TX
House of Values, San Mateo, CA
Hutensky Capital Partners, Hartford, CT
Idaho Retailers Association
Illinois Retail Merchants Association
Independent Office Products & Furniture Dealers Association
Indiana Retail Council
Institute of Real Estate Management
International Council of Shopping Centers
Iowa Retail Federation
Its Bedtime, Silverdale, WA
J. C. Penney Company, Inc., Plano, TX
Jewelers of America
JLL Retail, Atlanta, GA
Kentucky Retail Federation
Kimco Realty Corporation, New Hyde Park, NY
Kittle's Furniture, Indianapolis, IN
Knight Furniture, Sherman, TX
Kohl's Department Stores, Inc., Menomonee Falls, WI
LFD Furniture, McAllen, TX
Lifestyle Furniture Homestore, Fresno, CA
Macerich, Santa Monica, CA
Macy's Inc., Cincinnati, OH
Maryland Retailers Association
Michigan Retailers Association
Minnesota Retailers Association
Missouri Retailers Association
Missouri Tire Industry Association
Missouri Grocers Association
Muenchens Furniture, LLC, Hamilton, OH
National Association of College Stores
National Association of Music Merchants
National Association of Real Estate Investment Trusts®
National Association of REALTORS®
National Association of Wholesaler-Distributors
National Association of Resale Professionals
National Office Products Alliance
National Retail Federation
National Small Business Network, St Petersburg, FL
National Sporting Goods Association
Nebraska Retail Federation
New Jersey Retail Merchants Association
Noble House Interiors, Spokane, WA
Nordstrom, Inc., Seattle, WA
North Dakota Retail Association
Office Furniture Dealers Alliance
Ohio Council of Retail Merchants
Olinde's Furniture, Baton Rouge, LA
Outdoor Industry Association
Point of View Farm, Bangall, NY
Precious Metals Association of North America
Rainbow Furniture, Worcester, MA
Random Harvest Home, Washington, DC

Rappaport, Vienna, VA
Raymour & Flanigan, Syracuse, NY
Real Estate Roundtable
Retailers Association of Massachusetts
Retail Council of New York State
Retail Industry Leaders Association
Robert M. Sides Family Music Centers, Williamsport, PA
Royal River Natural Foods, Freeport, ME
Sandy's Furniture, Fresno, CA
The Sembler Company, St. Petersburg, FL
Sheely's Furniture & Appliance, North Lima, OH
Simon Property Group, Indianapolis, IN
Sklar Furnishings, Boca Raton, FL
Smith Village Home Furnishings, Jacobus, PA
South Dakota Retailers Association
Southern California Local Bead Store Association
Stahl's Furniture, Mount Pulaski, IL
Stage Stores, Houston, TX
Stirling Properties, Covington, LA
Stowe Mercantile, Stowe, VT
Stowe Public House, Stowe, VT
Sunnyland Furniture, Dallas, TX
Taubman Centers, Inc., Bloomfield Hills, MI
Tax Cloud, Norwalk, CT
Vermont Retail and Grocers Association
Vermont Specialty Food Association
Viking Partners, Cincinnati, OH
Virginia Retail Federation
W.S. Badcock Corp., Mulberry, FL
Washington Retail Association
Weingarten Realty, Houston, TX
Weitzman, Dallas, TX
West Frankfort House Furnishing, West Frankfort, IL
Westside Furniture, Taft, CA
WDP Partners LLC, Phoenix, AZ
Woodland Furniture, Woodland, CA
Williams All Seasons Co., Highland Park, IL
The Willis Music Company, Florence, KY

CC: The Honorable Paul Ryan, Speaker of the House
The Honorable Blake Farenthold, Vice Chairman
The Honorable Darrell Issa
The Honorable Doug Collins
The Honorable Ken Buck
The Honorable John Ratcliffe
The Honorable Matt Gaetz
The Honorable Karen Handel
The Honorable Hank Johnson, Jr.
The Honorable Eric Swalwell
The Honorable Pramila Jayapal
The Honorable Brad Schneider