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July 24, 2018

The Honorable Bob Goodlatte
Chairman
House Judiciary Committee
2309 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jerry Nadler
Chairman
House Judiciary Committee
2109 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Goodlatte and Ranking Member Nadler:

On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR) and its affiliate, the Institute of Real Estate Management (IREM), thank you for holding this hearing, “Examining the Wayfair decision and its Ramifications for Consumers and Small Businesses.” NAR supports equitable sales tax treatment of all sellers, and the Supreme Court’s holding in the South Dakota v. Wayfair, Inc., is a step toward achieving that.

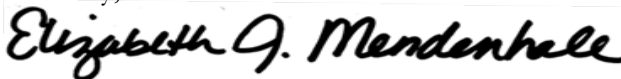
While most states require consumers to pay sales and use taxes on their purchases, online and other remote sellers without a physical presence in the state of the buyer have historically not been required to collect these taxes in the same way local businesses are. This unequal treatment has put brick-and-mortar retailers at a competitive disadvantage, while leaving the states short on owed sales and use taxes. Additionally, internet and other remote sellers are typically headquartered far from their customers and do not pay property and other local taxes to help support the infrastructure of the communities in which their customers reside. Brick-and-mortar retailers not only seem to have higher prices due to sales tax collected on purchases, but also pay property and other local taxes, compounding the disadvantage.

The Wayfair decision gives states limited authority to require remote sellers without a physical presence to collect sales taxes on goods sold to their residents, a reflection of the growth of e-commerce that has occurred since the Court previously ruled on this issue in 1992 (Quill Corporation v. North Dakota). As e-commerce has grown, so has the disparity between online retailers and brick-and-mortar stores, as well as the amount of lost sales and use taxes – estimated to be \$26 billion in 2015 by the National Conference of State Legislatures.

NAR also supports HR 2193, the Remote Transactions Parity Act. This bipartisan bill provides a legislative framework for leveling the playing field between remote and local retailers, and includes business protections such as gradually phasing-in which sellers must comply and simplification requirements.

Again, thank you for holding this hearing. NAR looks forward to continuing to work with you on this important issue.

Sincerely,



Elizabeth Mendenhall
2018 President, National Association of REALTORS®

cc: U.S. House of Representatives Judiciary Committee



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