

United States Senate

WASHINGTON, DC 20510

November 30, 2015

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell and Speaker Ryan:

As people across our nation make online purchases today as part of Cyber Monday, we write to urge Republican leadership to reject any efforts to impose a misguided and destructive Internet tax collection scheme on our small businesses that rely on the Internet to tap into growing markets, expand their operations, and create jobs.

The Marketplace Fairness Act would allow states to force retailers that have zero physical presence in a state outside of their own to collect and remit sales tax to it. This would be especially devastating for Internet retailers in states without a sales tax. The bill could lead to Internet retailers in all states being forced to become tax collectors for nearly 10,000 tax jurisdictions across the country. Only in Washington would such a proposal be labeled as the "Marketplace Fairness Act."

Under this new tax, online retailers would be vulnerable to audits from thousands of municipalities nationwide - presenting compliance and legal costs that could easily skyrocket as businesses are forced to defend themselves against audits from money-hungry regulators in faraway places.

The Internet has been a bright spot in our economy, opening up new markets for our nation's small businesses and breaking down barriers to entry for aspiring entrepreneurs. Small businesses in our nation's most rural areas can now sell products to customers across the country and around the world.

And now politicians see these growing Internet businesses as a new source of tax revenue to fund bigger government and fill budget holes created by their own reckless spending decisions. President Ronald Reagan diagnosed this problem long ago when he said: "Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

We should be focused on policies that encourage economic growth and job creation, instead of imposing new financial burdens and onerous regulations on businesses and interstate commerce. Instead of protecting and fostering e-commerce, online sales tax legislation would stifle small business growth and job creation.

As Congress looks for responsible ways to foster economic growth and promote innovation, we urge you to oppose any effort to tax and regulate our nation's Internet small businesses.

Thank you for your attention to this matter.

Sincerely,



Kelly A. Ayotte
U.S. Senator



Marco Rubio
U.S. Senator



Mike Lee
U.S. Senator



Steve Daines
U.S. Senator