NACo urges Congress to stop stalling on Marketplace Fairness

Washington, D.C. - In a letter to the top House and Senate leaders today, the National Association of Counties (NACo), joined other state and local government groups calling on Congress to pass legislation this year that would combine the Marketplace Fairness Act (MFA) with a temporary extension of the Internet Tax Freedom Act (ITFA).

In the letter, NACo, the National Governors Association, the National Conference of State Legislatures, the Council of State Governments, the National League of Cities, the United States Conference of Mayors and the International City/County Management Association expressed disappointment at reports that Congress is considering a permanent extension of the Internet Tax Freedom Act (ITFA), while at the same time brushing aside consideration of the Marketplace Fairness Act (MFA).

“The time has come for Congress to stop stalling and join with state and local officials to promote the continued growth of electronic commerce, ensure fair competition and preserve state and local authority,” the letter said.

The MFA would require states to simplify their sales taxes and ease compliance in exchange for the authority to collect more than $23 billion in taxes already owed on Internet sales. It was passed with strong bi-partisan support in the Senate last year.

“MFA would level the playing field between online and Main Street retailers so that competition, not a tax loophole, determines who succeeds in the marketplace,” the letter continued.

The ITFA was enacted to jump-start Internet commerce by temporarily suspending taxes on Internet access service. It was never intended to be permanent. “Out of respect for states and federalism, it was to last only two years while keeping all existing taxes.” ITFA is set to expire Dec. 11, 2014.

“The time for Congress to act is now,” said NACo Executive Director, Matthew D. Chase. “Both MFA and a temporary extension of ITFA are important to counties. The rate at which the Internet continues to evolve and shape the world of e-commerce makes the case that one should not be considered without the other.”

“MFA is straightforward and has lingered unresolved for too long. It simply grants state and local governments the ability to enforce already existing sales tax laws while simultaneously leveling the playing field for the businesses that support our counties and local communities nationwide. Counties would use this revenue for critical services such as infrastructure and public safety. Services that not only residents rely on, but businesses on Main Street and online depend on them too when engaging consumers,” Chase added.

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The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo assists America’s 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties. NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money. More information at: www.naco.org.