



NEWS RELEASE

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Counties call on Congress to support marketplace fairness, oppose permanent ban on Internet tax

WASHINGTON, D.C. – The National Association of Counties (NACo) today urged the U.S. Senate to preserve local flexibility in funding mandated services for residents, as it prepares to consider the conference report on H.R. 644, the Trade Facilitation and Trade Enforcement Act.

In a letter to Senate leaders, NACo called on lawmakers to oppose a permanent extension of the Internet Tax Freedom Act (ITFA), which was included in the trade package. NACo stressed that ITFA would hinder states' and local governments' ability to provide services like fire protection, public safety, education and infrastructure, and any consideration of the measure should include remote or online sales tax legislation.

"Counties provide the safety, security and infrastructure support to foster economic competitiveness. But ITFA, as included in the conference report, would starve public sector investment in our core services and economic development building blocks," said Matthew Chase, NACo's executive director. Because we are "mandated to provide a greater number of services, all while facing greater state and federal restrictions on generating revenue," Chase wrote, counties are "asking Congress not to indefinitely preempt the authority of state and local governments to set our own tax policies."

Aside from the preemption, according to the Congressional Budget Office, ITFA would cost state and local governments hundreds of millions in existing revenues annually.

Additionally, NACo called on lawmakers to pass marketplace fairness legislation to enable states and local governments to collect current sales taxes already owed. Counties support remote sales tax legislation because it would remove the competitive disadvantage between businesses that collect sales tax and online retailers that do not. Counties would use this revenue to reduce other taxes as well as invest in infrastructure improvements, education advancements and public safety.

To read the letter, click [here](#).

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The [National Association of Counties](#) (NACo) unites America's 3,069 county governments. Founded in 1935, NACo brings county officials together to advocate with a collective voice on national policy, exchange ideas and build new leadership skills, pursue transformational county solutions, enrich the public's understanding of county government and exercise exemplary leadership in public service.