

White House backs Internet sales tax bill

April 22 2013



The Amazon logo is projected onto a screen at a press conference on September 6, 2012 in Santa Monica, California. The White House backs a Senate bill to force online retailers like Amazon and eBay to collect state and local sales taxes, hoping to end a cost disadvantage hampering bricks and mortar businesses.

The White House Monday backed a Senate bill to force online retailers like Amazon and eBay to collect state and local sales taxes, hoping to end a cost disadvantage hampering bricks and mortar businesses.

The bill, which was being debated in the Senate on Monday, could lead

to the recouping of \$11 billion in lost annual sales taxes, according to a University of Tennessee research study.

"We believe that the Marketplace Fairness Act will level the playing field for local small-business retailers, who are undercut every day by out-of-state online companies," said White House spokesman Jay Carney.

"Today, while local small-business retailers follow the law and collect sales taxes from customers who make purchases in their stores, many big-business online and catalog retailers do not collect the same taxes."

"We have heard overwhelmingly from governors, mayors and the business community on the need for [federal legislation](#) to level the playing field for our businesses and address sales tax fairness."

The Retail Industry Leaders Association says the bill would end unfair treatment for many small businesses

"The current policy, which forces competitors to play by different rules, is inherently unfair and puts Main Street retailers at a disadvantage to out of state, online only competitors," said Bill Hughes, the association's [senior vice president](#) for government affairs.

The Act would require Internet and remote retailers to collect state sales taxes no matter where they are located when a transaction takes place, and advocates hope it would ease budget problems in many cash-strapped states.

Opponents of the Act say it would still be unfair because retailers in a state which has no sales tax would still be liable to collect tax on purchases made in distant states which do have sales taxes.

They say the measure would also harm smaller online retailers as big firms like [Amazon](#) and [WalMart](#) can more easily absorb the impact of the new sales tax.

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