

Congress of the United States
Washington, DC 20515

December 7, 2018

The Honorable Paul Ryan
Speaker
House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Minority Leader
House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20510

Dear Speaker Ryan and Leader Pelosi,

As the House of Representatives works towards the conclusion of the 115th Congress, we request that any end-of-year legislation include a one-year moratorium for small businesses to collect and remit sales taxes as a result of the June 2018 *South Dakota v. Wayfair, Inc.* Supreme Court decision. This decision has put a tremendous strain on small businesses across the country and has given them, in some cases, only six months to collect taxes from over 9,000 tax jurisdictions in the United States. The inclusion of a one-year moratorium on collections would ensure that small business owners and workers will have time to fully comply with the law and remove uncertainty within the business community.

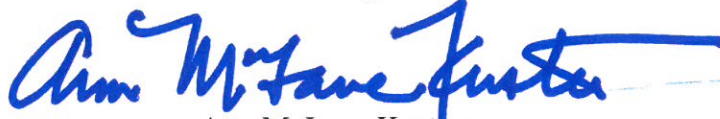
As a result of the Supreme Court decision, states have established new laws and regulations that will provide guidelines for small businesses on how to collect sales tax from out-of-state businesses. With some states imposing implementation dates as soon as January 1, 2019, small businesses have been given only six months to comply with this new tax collection regime which is labor intensive and costly for many small businesses that operate on thin margins. Furthermore, this transition will take place during the middle of the holiday season where both brick and mortar and online retailers see an influx of business.

Prior to the *South Dakota v. Wayfair, Inc.* decision, several pieces of legislation were introduced in Congress that considered the enactment of an internet sales tax. Most notably, the *Marketplace Fairness Act* and *Remove Transactions Parity Act* both included a delayed phase-in period to ensure that small businesses had time to fully comply and understand the new tax environment they were operating in. We believe that the enactment of a one-year collection moratorium would reflect these policies and provide small businesses with a realistic time frame to be compliant. A moratorium would also give Congress the time to assess the need to provide permanent relief for small businesses from the misguided *Wayfair* ruling.

In addition to this short time frame, some states may attempt to seek retroactive tax collection which would create more red tape for small business owners and reduce their bottom line. Small online retailers have unique challenges when it comes to expanding their businesses, and a retroactive tax would impair their ability to grow and create jobs. We believe that a statutory ban on retroactive state sales tax collection would provide much needed certainty for small businesses.

Thank you for your consideration of this matter, and we look forward to working with you to provide small businesses across America with certainty as we enter the busy holiday season.

Sincerely,



Ann McLane Kuster
Member of Congress



Don Young
Member of Congress



Carol Shea-Porter
Member of Congress



Peter A. DeFazio
Member of Congress



Greg Gianforte
Member of Congress



Suzanne Bonamici
Member of Congress