



May 8, 2012

The Honorable Kay Bailey Hutchison  
U.S. Senate  
284 Russell Senate Office Building  
Washington, D.C. 20510-4304

Dear Senator Hutchison:

The Greater El Paso Chamber of Commerce fully supports the Marketplace Fairness Act, which creates a level playing field for all retailers regarding collecting of sales tax. The Chamber's leadership believes the Marketplace Fairness Act to be a much-needed federal solution to the problem of internet retailers' competitive advantage over their brick-and-mortar counterparts.

As you know, a pre-internet era tax exists that creates a legal loophole that enables online-only retailers to avoid collecting sales taxes. States have been left to independently take action on this tax loophole, which has led to greater confusion in the marketplace. The Marketplace Fairness Act would give states the ability to enforce their existing state and local taxes, enable states to require online-only retailers to collect sales tax, thereby shifting responsibility for sales tax collection to the vendor rather than the consumer. Additionally, the Act would allow states to decide whether or not to collect sales and use taxes already owed under state law, by choosing to become a member state of the Streamlined Sales and Use Tax Agreement, or states can adopt minimum simplification requirements. States may also choose not to collect these taxes at all. We feel that it is important to exempt sellers with less than \$500,000.00 in annual online sales from collecting sales and use taxes, which this legislation does.

This policy can have a significant fiscal impact on the State of Texas. Comptroller Combs has estimated that the State of Texas loses \$600 million a year from untaxed online sales. The State of Texas, as you are fully aware, is in much need of additional resources to fund critical services ranging from education to healthcare.

The Chamber's leadership appreciates your leadership and hopes that you will be inclined to help get the Marketplace Fairness Act passed.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Richard E. Dayoub  
President and CEO

Chuck Harre  
Chairman of the Board