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THE MARKETPLACE FAIRNESS ACT PROMOTES & STRENGTHENS STATES' RIGHTS

In addition to restoring fairness to the retail marketplace, the Marketplace Fairness Act (MFA) would also go a long way in strengthening states' rights.

- **The Marketplace Fairness Act would empower states.** The MFA would help states enforce their own existing sales tax laws on out-of-state, online-only retailers, giving states more authority over their own fiscal matters. Additionally, it would not impact intrastate sales.
- **The Marketplace Fairness Act would help states to cut taxes or forego future increases.** By closing a loophole that disadvantages our brick and mortar businesses, passing e-fairness legislation would empower states to close their budget gaps by collected taxes that are already due, rather than forcing states to increase taxes to meet their shortfalls. Furthermore, some governors have indicated their support for cutting corporate and individual taxes once this loophole has been closed.
- **The Marketplace Fairness Act is not a national mandate for states.** Instead, it simply gives states the option to decide whether or not to require online-only retailers selling within their borders to collect and remit sales their own sales tax.

CONSERVATIVE LEADERS AGREE

New Jersey Governor Chris Christie: *"I too – along with governors like Governor Daniels and others – urge the federal government and Congress in particular to get behind Senator Lamar Alexander's legislation to allow states to be able to make these choices for themselves. And I think Senator Alexander's legislation would be a great step forward in that regard. It would give states options to decide how they want to deal with this and not have to any longer deal with the federal prohibition on dealing with it."* (Press Conference, 5/31/12)

Indiana Representative Mike Pence: *"I don't think Congress should be in the business of picking winners and losers. Inaction by Congress today results in a system today that does pick winners and losers."* (House Judiciary Committee, Hearing On "Constitutional Limitations On States' Authority To Collect Sales Taxes In E-Commerce," 11/30/11)

Maine Governor Paul LePage: *"As you know, the Marketplace Fairness Act does not raise taxes. It simply provides for the collection of sales tax already due... I have pledged to lower Maine income taxes and stop wasteful government spending. One powerful tool in achieving these goals would be to have the ability to collect taxes that are due."* (Letter to Senators Snowe and Collins, 3/12/12)

IN THE NEWS



"The MFA does not mandate Internet taxes for online purchases. It allows states to require web retailers operating in their jurisdictions to collect sales taxes; something states already require brick-and-mortar retailers to do. Currently, two competitors in the same marketplace (one online and the other behind a storefront) are governed by two distinct tax regimes, giving the online competitor an unfair advantage... The MFA is neither a mandate nor a tax. It empowers states to treat online companies the same as they treat local retailers." (["Conservatives Should Take A Second Look At The Marketplace Fairness Act," RedState, 7/18/2012](#))

"There's no reason to favor e-commerce at the expense of other business, and it makes no sense to require some businesses to charge more for the same goods. To that end, a bipartisan bill under consideration in the Senate, the Marketplace Fairness Act, would grant states the authority to require "remote sellers" to collect sales tax in exactly the same way as local businesses are already made to do." (["Taxing Online Purchases," The Washington Post, 7/15/2012](#))

The Washington Post