



STATE OF WASHINGTON

August 4, 2014

RE: Support for the Marketplace and Internet Tax Fairness Act of 2014, S. 2609

Dear Members of the Washington State Congressional Delegation:

We are writing to strongly urge your support for swift passage of the Marketplace and Internet Tax Fairness Act (“MITFA”) of 2014, which has been introduced in the U.S. Senate as S. 2609. This bill would help level the playing field between large out-of-state online retailers and Washington’s small business retailers, and would support a more prosperous Washington.

Passage of MITFA is a top priority for our state and its counties and cities, and the need for it has never been greater. The competitive disparity between large online retailers and “brick and mortar” main street shops continues to grow, and this disparity hurts local businesses, the state economy, and the ability of state and local governments to provide services for our people.

In 1992, the U.S. Supreme Court held that sellers must have a physical presence in a state before that state could require collection of its sales and use taxes. In the subsequent 22 years, the national economy has transformed dramatically. We have seen the rise of the Internet, the explosion of electronic commerce, and we are now witnessing the birth of the “Internet of everything.” The physical presence standard established by the Court has become outdated.

To address the challenges of our 21st century economy, we must adopt modern rules for our retailers, as this bill would do. The Marketplace & Internet Tax Fairness Act would level the playing field between big and small and in-state and out-of-state businesses, restore to the states their authority to collect taxes already legally due, and simplify state sales and use tax collection where authority is exercised. This legislation would provide our state and local governments with important revenue to support education and other essential services, without creating or imposing any new taxes on the internet, businesses or consumers.

Marketplace Fairness is a fair, thoughtful and well-developed policy proposal, which results from years of successful partnership between members of Congress, the business community, and state and local governments. The proposal has broad bipartisan support across our state and throughout the country, and has been embraced by numerous businesses, associations and chambers of commerce throughout Washington State and beyond. Moreover, passage of Marketplace Fairness remains a top priority for Democratic and Republican governors, the National Governors Association, the National Conference of State Legislatures, the National Association of Counties, and the National League of Cities.



Members of the Washington State Congressional Delegation

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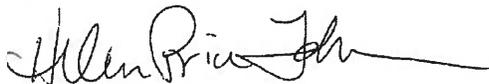
We greatly appreciate those of you whom have demonstrated your support for the Marketplace Fairness Act (S.743/H.R. 684), which passed the U.S. Senate with strong bipartisan backing (a 69-27 vote), in May 2013. This new MITFA legislation, S. 2609, combines S. 743 with a ten-year extension of the Internet Tax Freedom Act ("ITFA") – legislation that prohibits the imposition of internet access-taxes. State and local governments and many stakeholders have long opposed ITFA for the restrictions that it places on their authority. This bill was first passed as a temporary measure, in 1998, when the internet was a nascent and growing industry in need of special tax treatment, and has been extended several times since. We join other state and local leaders around the country in their wariness of a permanent extension of ITFA. However, we strongly believe that a temporary extension of this measure is a worthy compromise in exchange for passage of Marketplace Fairness, and therefore we request your support for S. 2609.

On behalf of Washington and its counties and cities, as well as its businesses, communities and residents, we respectfully encourage you to support the swift passage of the Marketplace and Internet Tax Fairness Act.

Very truly yours,



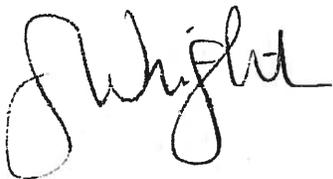
Jay Inslee
Governor



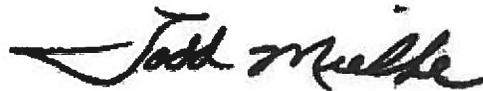
Helen Price Johnson, President
Washington State Association of Counties
Island County Commissioner



David Sauter, Vice President
Washington State Association of Counties
Klickitat County Commissioner



Stephanie Wright, Secretary-Treasurer
Washington State Association of Counties
Snohomish County Councilmember

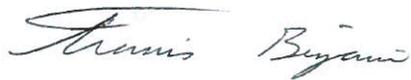


Todd Mielke, Immediate Past President
Washington State Association of Counties
Spokane County Commissioner

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Francis Benjamin, President
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