

WISCONSIN RETAIL MERCHANTS ASSOCIATION

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Wisconsin Retail Merchants Association reaffirms support of Internet Sales Tax legislation in Congress

The Wisconsin Retail Merchants Association (WRMA) released the following statement after a press conference held this afternoon by the National Taxpayers Union and the R Street Institute, urging Wisconsin voters to oppose the collection of sales taxes among retailers who do not currently collect sales taxes. NTU spokesperson Peter Sepp said taxing on-line retailers was nothing more than an "Internet tax collection scheme" and that the internet should "remain as free from regulation and taxation as possible." He said the Marketplace Fairness Act is "putting state taxing powers at risk and is the single biggest threat to taxpayers."

"The risk is just the opposite," according to Alice O'Connor, Executive Director of the Wisconsin Retail Merchants Association. Passage of the Marketplace Fairness Act will mean all on-line retailers, not just some, will be required to collect state sales taxes owed on Internet purchases. Sepp also said NTU had data that proved "showrooming" is not an issues for main street merchants therefore they are not competitively disadvantaged.

This also runs contrary to what smaller retailers have said repeatedly and continue to say, according to O'Connor. "On-line retailers who don't collect sale taxes hurt the bottom lines of our main street merchants in very measurable ways. Small retailers will tell you show rooming does happen and will continue to happen when individuals visit a bricks and mortar retailer, tap the time and expertise of store staff, then leave the store without making a purchase, and end up buying the product on-line-- minus the sale tax, making it a few bucks cheaper."

"For far too long, out-of-state online retailers have exploited a loophole to avoid paying Wisconsin sales tax, giving them an unfair competitive advantage over local brick-and-mortar businesses who live and work in the communities they serve, WRMA says. "It is an issue of tax fairness, simply put."

WRMA believes Congressional action to support Marketplace Fairness Act would close a loophole and finally level the playing field for Wisconsin's Main Street businesses, many who have struggled being so competitively disadvantaged. O'Connor added, "It will also bring millions of dollars in revenue to Wisconsin at a time when our communities are struggling to pay for crucial services such as public safety and education. We reaffirm our support and urge Congress to quickly enact this important bill and ensure that all retailers are playing by the same rules."

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