



Phone: 202.783.3870
Fax: 202.942.7649

www.freedomworks.org

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400 North Capitol Street, NW
Suite 765
Washington, DC 20001

Key Vote NO on the Internet Sales Tax, S. 743

Dear FreedomWorks member,

As one of our millions of FreedomWorks members nationwide, I urge you to contact your U.S. Senators and urge them to vote NO on the Marketplace Fairness Act, S. 743, a bill that would allow states to collect internet sales taxes without regard for state borders.

While this internet sales tax scheme has been branded as helping “marketplace fairness”, all it really accomplishes is raising taxes and placing an untenable burden of compliance upon small businesses who sell their products online. Under the interstate agreement being authorized by the “Marketplace Fairness Act”, a business selling products online would be required to figure out where their customers live and to charge them sales taxes based upon their residence, not where the business is located. The cost of complying with the thousands of state and local sales tax regulations will be difficult for smaller online businesses to absorb.

Perhaps more importantly, taxing across state border violates the long-held “physical presence standard” that restricts state from taxing sales that do not originate from a physical “nexus” within that state’s borders. Allowing states to violate the physical presence standard will literally allow for taxation without representation, as consumers pay taxes to other states without ever getting the benefit of the use of those dollars. Allowing states to tax each others’ citizens also removes an important incentive for tax competition between the states.

The only winners in this deal are state governments, which are happy to use the new revenue to increase their spending, and large retail stores, who will be able to absorb any compliance costs while watching their smaller competitors struggle.

I urge you to call your U.S. Senators and ask them to vote NO on the Marketplace Fairness Act, H.R. 743. We will count the vote on this amendment as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2013. The Economic Freedom Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of Congress with voting records that support economic freedom.

Sincerely,

Matt Kibbe, President and CEO, FreedomWorks