November 18, 2014

The Honorable John Boehner  
Speaker  
United States House of Representatives  
H-232 U.S. Capitol Building  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives  
H-204 U.S. Capitol Building  
Washington, DC 20515

The Honorable Harry Reid  
Majority Leader  
United States Senate  
S-221 U.S. Capitol Building  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-230 U.S. Capitol Building  
Washington, DC 20510

Dear Speaker Boehner, Minority Leader Pelosi, Majority Leader Reid and Minority Leader McConnell:

On behalf of our nation’s state and local elected leaders, we call on Congress to combine the Marketplace Fairness Act (MFA) with a temporary extension of the Internet Tax Freedom Act (ITFA) and pass the measure this year.

We are gravely disappointed by reports that Congress is willing to vote on a permanent extension of ITFA, but is not willing to even consider MFA. MFA would level the playing field between online and Main Street retailers so that competition, not a tax loophole, determines who succeeds in the marketplace. It requires states to simplify their sales taxes and ease compliance in return for the authority to collect more than $23 billion in taxes that are already owed. This revenue could be used to reduce other taxes and invest in infrastructure improvements, education advancements and public safety.

ITFA was designed to jump-start Internet commerce by temporarily suspending taxes on Internet access service. Out of respect for states and federalism, it was to last only two years while keeping all existing taxes. A temporary extension of ITFA would preserve the balance of the original bill. A permanent moratorium would eliminate existing revenues and trample our most basic principles of federalism by indefinitely prohibiting states’ authority to set tax policy.

After more than a decade of work, MFA passed the Senate last year with broad bipartisan support. ITFA is set to expire December 11. The time has come for Congress to stop stalling and join with state and local officials to promote the continued growth of electronic commerce, ensure fair competition and preserve state and local authority.
Sincerely,

Dan Crippen
Executive Director
National Governors Association

William T. Pound
Executive Director
National Conference of State Legislatures

David Adkins
Executive Director
The Council of State Governments

Matt Chase
Executive Director
National Association of Counties

Clarence Anthony
Executive Director
National League of Cities

Tom Cochran
CEO & Executive Director
The United States Conference of Mayors

Robert J. O'Neill
Executive Director
International City/County Management Association