

Protecting Our Economy

A Big Help For Small Businesses

(NAPSA)—Your ability to shop where and when you want may be boosted by Congress passing legislation known as the Main Street Fairness Act. Under the bill, sales tax collection is applied evenly for Internet retailers and community merchants alike. The proposal modernizes the current system to keep pace with a changing marketplace that includes both online and brick-and-mortar retailers.

Right now, all purchases made online are subject to the same sales tax as those made in neighborhood stores; however, when an online retailer fails to collect the sales tax, it falls to the buyer to report it. This poses a confusing and unnecessary burden on consumers. Advocates for change say a sale is a sale—whether it takes place on the Internet or at a local store—and the same rules should apply, with certain exemptions for the smallest sellers.

What We Have Now

Some economists believe the current situation threatens economic development in communities across the country and impacts consumers, retailers and state governments.

The buyer has an unmet tax liability that could result in an audit and penalty.

Brick-and-mortar businesses that must collect the tax are at a competitive disadvantage to online-only retailers that do not. This tax loophole negatively impacts local businesses' bottom line and, increasingly, has forced many of these businesses to close—depriving communities of the choice and convenience they've long enjoyed.

States are losing critical funding—as much as \$33.7 billion a year—which is needed now more than ever to close growing budget



Legislators are trying to close a tax loophole that economists believe puts many neighborhood merchants in danger.

gaps, pay down debt and finance vital services such as schools, law enforcement and emergency personnel. Meanwhile, businesses and residents face increased corporate, income and property taxes to make up the shortfall.

What The Act Will Do

The Main Street Fairness Act is designed to:

- Give states the option to set up a simple, fair system to collect taxes on remote sales;
- Allow states to collect revenue at every point of purchase;
- Protect the consumer against onerous tax liability and infringement of privacy.

The software and Web applications necessary to collect sales tax exist now and are already in use by numerous retailers that choose to follow the law.

“Brick-and-mortar stores are the backbone of this country, investing in their communities and ensuring the places we call home are vibrant and welcoming,” said Michael Kercheval, president and CEO of the International Council of Shopping Centers.

Learn More

For more information, visit www.icsc.org/mainstreetfairness or call (202) 626-1400.