

NetChoice *Promoting Convenience, Choice, and Commerce on The Net*

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June 26, 2013

Rep. Gordon Fox, Speaker
Rhode Island House of Representatives
Providence, Rhode Island 02903

RE: Opposition to the Remote Seller Tax language in Article 9 § 44-18-18 of HB 5127

Dear Speaker Fox,

The remote seller tax language of Article 9 § 44-18-18 of HB 5217 wrongly suggests that Rhode Island citizens will pay lower sales taxes if the US Congress creates new tax collection burdens for remote sellers. And § 44-18-18 incorrectly blames the state's 7% sales tax rate on the US Congress.

In essence § 44-18-18 plays a shell game with the sales tax rate and does not actually lower the amount of sales tax paid. If Congress did pass a bill to require remote sellers to collect sales taxes, the taxes collected on behalf of Rhode Island only come from Rhode Island citizens. A legislator said it best, "if this bill means less money in the pockets of citizens and more in the tax collectors' then that is a tax." The same thing is happening in § 44-18-18 of HB 5127.

In no event will new money flow into the state. Remote sellers will not be paying any new taxes to Rhode Island. Instead remote sellers will be doing the job of the state tax collector and taking money from the pockets of Rhode Island citizens.

Worse, if the current federal legislation does pass, the small online and catalog sellers in Rhode Island will now face new costs of collecting for every other state and be subject to audits from tax collectors in Albany and Sacramento.

The net effect of the remote seller tax language is *all pain with no gain*.

We therefore urge you to oppose the remote seller tax language in the Article 9 § 44-18-18 of HB 5127.

Thank you for considering our views. Please let me know if we can provide further information.

Sincerely,

A handwritten signature in black ink that reads 'Steve DelBianco'.

Steve DelBianco
Executive Director, NetChoice

NetChoice is a trade association of online content and e-Commerce businesses promoting and protecting convenience, choice and commerce on the Net. Learn more about NetChoice at www.netchoice.org