

**National Association of Counties  
National League of Cities  
The United States Conference of Mayors  
International City/County Management Association  
Government Finance Officers Association**

July 23, 2018

The Honorable Bob Goodlatte  
Chairman  
House Committee on the Judiciary  
Washington, DC 20515

The Honorable Jerrold Nadler  
Ranking Member  
House Committee on the Judiciary  
Washington, DC 20515

RE: Local government support of U.S. Supreme Court's Decision in *South Dakota v. Wayfair, Inc.*

Dear Chairman Goodlatte and Ranking Member Nadler:

On behalf of the local governments across the nation and communities we serve, we write to express our support for the U.S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.* For well over two decades, we have pursued a simplified framework of sales and use tax administration to address the ever evolving and growing online retail marketplace.

For some states and countless local governments, sales tax is the primary funding source that drives the ability to provide vital public services and the outdated physical presence rule was preventing collection of taxes owed. These taxes support essential services, including well-trained firefighters and police officers, investments to fix aging infrastructure, public health, and education, to help foster vibrant communities and allow local economies to thrive.

For example, a GFOA analysis of U.S. Census Bureau and local government Comprehensive Annual Financial Report (CAFR) data shows that in FY 2015 the City of Roanoke, VA collected approximately \$10 million in sales taxes. Given the average salaries as calculated by the U.S. Census Bureau and the National Education Association, \$10 million could be used to compensate 196 teachers, 185 police officers or 196 firefighters. At the state level, the numbers are even higher. If New York were to devote just 1 percent of FY 2015 state sales taxes it could be used to compensate 3.7 million teachers, 4.2 million police officers or 4.3 million firefighters. Unfortunately, all too often the critical role sales taxes play in the provision of public services is overlooked.

Local governments have long advocated for a simplified solution that would ease collection and remove the undue burden on compliance for businesses. That is why for over a decade our organizations have supported the work of the Streamlined Sales Tax Governing Board that brought states, local governments and the business community together to simplify sales tax administration. This collaborative effort ensures issues for all stakeholders involved can be addressed. Under the

Streamlined Sales and Use Tax Agreement (SSUTA), technology is one of the primary tools used to address a long-held concern of retailers: the administrative burden of performing the sales and use tax functions for remote sales, especially when having to deal with different states. All of the simplification steps the SSUTA requires of member states are geared towards minimizing the administrative burdens on businesses. One example is requiring a central point of administration in each state which eliminates the need for a business to deal with every local government within a state. State and local governments are also required to notify sellers of any changes in law, which substantially reduces the resources needed for a business to keep current on tax laws.

The bottom line is that the SSUTA demonstrates business and government can come together to work through the issues on both sides of sales and use tax administration.

We all have the same goals in this post-*Quill* world: simplification and elimination of undue burdens on all stakeholders. We look forward to working with you, states and local governments, and our retail colleagues to emphasize the importance of the Streamlined Sales Tax project and to ease the transition and successfully implement a system that is satisfactory for the 21<sup>st</sup> century retail environment.

Sincerely,

National Association of Counties, Jack Peterson, 202-661-8805

National League of Cities, Brian Egan, 202-626-3107

The United States Conference of Mayors, Larry Jones, 202-861-6709

International City/County Management Association, Elizabeth Kellar, 202-962-5328

Government Finance Officers Association, Emily Swenson Brock, 202-393-8467