

# Pass the Marketplace Fairness Act

Rex Solomon, Houston Chronicle

On July 1, 2012, online retail giant Amazon.com began collecting and remitting state sales taxes in Texas. As a small-business owner and president of Houston Jewelry, I can say from experience that this was cause for celebration in the Texas retail community.

At last, we were given the opportunity to play on a level playing field against one of our primary competitors, who until July 1 had a major competitive advantage: Their products appeared cheaper because they didn't add sales tax to the final sale price.

But this work isn't complete. Amazon began collecting sales tax only because it struck a deal with the state. The so-called "online tax loophole" still applies to every other online-only retailer doing business in Texas, and they continue to hurt brick-and-mortar businesses across the state - and across the country.

Fortunately, a solution is on the horizon.

New "e-fairness" legislation to require online-only businesses to collect and remit state and local sales taxes has been introduced in both the U.S. Senate and U.S. House. This bipartisan bill, known as the Marketplace Fairness Act, has the support of the Texas small-business community, as well as the retail community across the country.

It is imperative that the Texas congressional delegation support this bill and that Congress pass it so that it can become the law of the land as soon as possible.

The urgency of this issue is real. Small businesses are the economic backbone of this state and nation. They provide jobs, economic growth and civic support in the communities they serve. And right now, we are fighting with one hand tied behind our backs.

In retail, pricing is everything. If a customer perceives that an online store has a better price than my store (they don't, but appear to because there is no sales tax included in their total), then I am going to lose that customer.

Not only is this simply unfair - by allowing this, the government is effectively promoting one type of retailer over another - it is extremely damaging to businesses, the economy and the communities in which we live and work.

People like me are unfairly losing customers to online rivals all over the country. Every time we do, we are less able to support jobs, spend money in our communities and support local charitable causes. The same goes for our employees who lose wages or jobs. This in turn impacts every other business in a community.

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What does this mean? Higher unemployment, slowing growth, underfunded charities and state and local governments receiving less in revenue while more and more folks need assistance. It's not right, it's not fair, and it needs to stop. If we really want to get the economy going again and revive stagnant communities, Congress needs to pass the Marketplace Fairness Act to close the online sales tax loophole for good.

In the strongest possible terms, I urge our senators and representatives to support this measure and work for its passage as soon as possible."

*Solomon is the president of Houston Jewelry Inc., and a board member of the Texas Jewelers Association.*

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