



New York Farm Bureau

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MEMORANDUM OF SUPPORT

S. 743 (Enzi)—“ Marketplace Fairness Act of 2013”

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New York Farm Bureau, the state’s largest agricultural advocacy organization, would like to express its support for this legislation. The *Marketplace Fairness Act* will help promote fair competition between local and Main Street retailers and internet-only sellers by allowing states to apply sales tax laws uniformly.

The bill would allow states to enforce their existing sales tax laws on remote sellers, but does not create new taxes or increase existing sales taxes. States must adopt sales tax collection simplification requirements in order to be able to collect sales taxes on remote retailers. The bill provides a small seller exemption so that remote sellers with less than \$1 million in annual sales do not have to collect sales taxes and says that businesses must be provided software for collecting the tax to ease the administrative burden.

The businesses that line the streets of New York’s small and rural towns provide essential goods and services to the farmers who work in the fields and barns that surround them. But hometown businesses are at a disadvantage when they compete with on-line only retailers who don’t have to collect sales taxes. When this disadvantage causes a “Main Street” business to close or scale back, the impact is especially hurtful to rural towns and increases the distance that farmers have to travel to obtain the goods they need.

In addition to placing local merchants at a disadvantage, the disparity deprives state and local governments of the tax revenue they need to provide essential services. Since local governments and schools rely heavily on property taxes for funding, when sales tax revenues decline governments often turn to property taxes to make up the difference. For land based-businesses like farming, this is particularly onerous.

For these reasons, NYFB requests that you support the businesses that serve our rural towns and farmers by supporting S. 743, the *Marketplace Fairness Act*.