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Senate preserve their government-sanctioned subsidy that gives them an unfair competitive advantage over their brick-and-mortar counterparts.

Apr. 22, 2013

Small retailers from across the country responded to eBay's demand that the U.S. Senate preserve their government-sanctioned subsidy that gives them an unfair competitive advantage over their brick-and-mortar counterparts.

Over the weekend, it was reported that eBay CEO John Donahue was working to preserve their special treatment in the tax code and block passage of the Marketplace Fairness Act, legislation that was endorsed by the U.S. Senate last month on a 75-24 vote. eBay is desperately trying to hold on to the unfair tax advantage their top sellers have over local businesses.

"I find it appalling while I am working daily to make ends meet, compete fairly in the marketplace and serve my customers, eBay is working to preserve special treatment for a handful of multi-million dollar sellers that puts my business at risk," said Rex Solomon, President of Houston Jewelry in Houston, Texas.

"I am not asking for a government handout to make my business thrive, I am simply asking for a level playing field where the government doesn't decide if my business is going to succeed or fail. I am a small business owner that sells on eBay, and I do not support their dishonest campaign"

This week, the U.S. Senate will move to a final vote on the Marketplace Fairness Act, which would close a sales tax loophole that pre-dates the Internet. eBay has exploited this loophole for years. Senators will have the opportunity to stand up for the small businesses in their state and ensure that out-of-state, online giants like eBay aren't given an upper hand. "We are on the cusp of ensuring that the government gets out of my way and lets me

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In conflicting messaging, eBay's CEO recently sent out an email to millions of its eBay Marketplace users recommending they fight the bill. But on it's own ProStores Website, which offers solutions for eBay sellers, it promotes the AvaTax system from Avalara as providing "a fast, easy, accurate and affordable solution for achieving sales and use tax compliance." Avalara is well-known in the accounting and tax space as a developer of automated sales tax systems that handle all of the computations in realtime for online sales.

eBay competitor Amazon has come out in favor of the Marketplace Fairness Act.

The Alliance for Main Street Fairness (AMSF), which supports the Marketplace Fairness Act, is made up of thousands of small businesses working to close the online sales tax loophole. Many AMSF members maintain an online presence in addition to their brick-and-mortar storefront.

Small Business

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