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Isaac M. O'Bannon • Apr. 28, 2013



The nation's largest association of major retail businesses says it is happy that the U.S. Senate passed the first hurdle in moving the Marketplace Fairness Act into law. It would make online sales subject to the same sales taxes as transactions made at physical stores.

"Today's vote in the Senate is proof that the special treatment of big online businesses at the expense of retailers on Main Street will soon be a thing of the past," said Bill Hughes, senior vice president for government affairs of the the [Retail Industry Leaders Association](#). "The overwhelmingly bipartisan support for leveling the playing field is rare in today's political environment and paves the way for a level playing field once and for all."

The bill will now go to the House of Representatives, where it faces mixed reviews for

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The bill is being fought by some anti-tax groups, such as the Heritage Foundation, and [eBay](#). [Amazon.com](#) has publicly stated support for the bill. One of the arguments against implementation would be that it would adversely affect small online retailers, although [eBay itself has promoted](#) that technology providers like [Avalara](#) provide simple and cost-effective sales tax automation solutions for businesses of any size. Also, the act includes exemptions for the smallest retailers.

As worded in the Senate version, the Marketplace Fairness Act would give states the option, if they choose, to enforce sales taxation requirements on retailers who have sales in their states, whether online or physical.

Thursday's vote by the Senate was not final, but it invoked cloture on the managers' amendment to the bill, which is sponsored by Senators Mike Enzi (R-WY) Richard Durbin (D-IL), Lamar Alexander (R-TN) and Heidi Heitkamp (D-ND). The vote foreshadows final passage of the Marketplace Fairness Act.

“For too long the Main Street retailers that are an integral part of their communities have faced tax rules that put them at a disadvantage to their out of state, online-only competitors. The Marketplace Fairness Act would simply provide states with the power, if they choose to use it, to ensure that the market, not government, determines winners and losers,” added the RILA's Hughes. “We applaud the Senate for its support, thank the sponsors for their steadfast commitment to fairness, and look forward to final passage and working with the House to level the playing field for all merchants this year.”

Identical legislation in the U.S. House of Representatives was introduced by Representatives Steve Womack (R-AR) and Jackie Speier (D-CA), and has generated strong bipartisan support.

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