GPP eNews
Office of Global Public Policy
ICSC Legislative News, Events & Resources

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ICSC Seeks Mayoral Veto of DC Bill
On July 10, the District of Columbia City Council passed by an 8-to-5 vote a so-called "living wage mandate," the Large Retailer Accountability Act of 2013 (LRAA). This bill would require only the largest retail businesses to pay a starting wage 50% higher than competing businesses in the District. This bill targets a small handful of national retailers. It does not apply to companies that have a collective bargaining agreement in place.

ICSC has called upon its members to contact DC Mayor Gray's office and encourage him to veto the bill.

On July 16, ICSC Member G. Lamont Blackstone, Principal of G.L. Blackstone & Associates and ICSC Trustees Distinguished Service Award recipient, was interviewed in an NPR story on the DC living wage law bill. Click here for the story.

Take Action on the Marketplace Fairness Act While Congress is Home
As Congress prepares to head home for the summer recess, ICSC is gearing up for a grassroots campaign that will ensure our Congressional Representatives understand the urgent need for a solution to close the online sales tax loophole. To help you get engaged in outreach to your Members of Congress while they are home, ICSC has created a dedicated page on 21stCenturyRetail.org where you will find tools and resources, including:

- Messaging to help you talk about the issue and effectively frame the debate.
- Sample op-eds and LTEs, along with best practices for submitting them.
- Guidelines on how to organize a site visit or participate in a town hall meeting.
- An order form for posters, stickers and window clings.
- Downloadable wallpaper with checklist of activities for the month of August.

We also plan to focus each week of the month of August on a specific activity, including a mini Twitter campaign, supporter recruitment and a community takeover, to show our elected officials how important the Marketplace Fairness Act is to their constituents. More information about the specific activities will be available as we get closer to summer recess, so check the website often.

Mark your calendars for the August 1 kick-off. With your help we can send a clear message to members of the House that they need to take swift and decisive action on this issue!

Study Shows Benefits of Collecting Sales/Use Taxes
This week, Arthur B. Laffer and Donna Arduin published a study that points to collection of sales and use taxes as a boon for the American economy and a vehicle for major job creation in the next decade. Laffer is a world-renowned conservative economist and puts forth an economic model that shows if you broaden the sales tax base you can lessen the individual taxpayer's burden, thereby reinvigorating the U.S. economy and increasing overall national wealth. The quantitative research points to the creation of 1.5 million jobs in the next 10 years and an additional $563.2 billion in GDP. Overall, the study projects potential increases in Gross State Product (GSP) and state employment over the next decade based upon Internet sales tax revenues being wisely used to reduce the burden of other taxes in each state such as marginal income tax rates, leading to increases in state prosperity.

By closing the online sales tax loophole - sales and use taxes that are legally owed under current state laws but not collected at the time of sale - states would have a more efficient tax code that would allow for a lower overall effective tax rate for the taxpayers in the state. Already, states like Wisconsin and Ohio are taking steps to show exactly how this would work. Both state's governors signed budget bills into law in July 2013 that will cut the state income tax once Congress passes the Marketplace Fairness Act.

-- In Wisconsin, under the leadership of conservative Governor Scott Walker, he signed into law a bill that will automatically trigger a state income tax cut for individuals, families, and small businesses in Wisconsin once the Marketplace Fairness Act becomes law.

-- In Ohio, state legislators worked with Governor John Kasich to include a provision in their budget bill that directs revenue gained from passage of the Marketplace Fairness Act to Ohio's income tax reduction fund.

For more information or to read the full version of Laffer's study please visit www.21stcenturyretail.org.

MA: Brownfields Tax Credit Extension and Directive
On Friday, July 12, Governor Deval Patrick (D) signed a $33.6 billion budget for FY2014. Included in the budget is an extension of the Brownfields Tax Credit for five more years. Since its inception 15 years ago, the Brownfields Credit has mitigated costs related to the cleanup and redevelopment of 600 contaminated sites throughout the state by offering a tax credit to companies willing to take on the task of a Brownfields site cleanup. Unfortunately all funds have been allocated to existing applicants. While the state is still taking applications, it is not making any further commitments until more funding is received.

The Massachusetts Department of Revenue is also in the process of drafting a Directive to administer the Brownfields Tax Credit. The Directive states that a company is eligible to claim their Credit for the tax year in which they submit a response action outcome statement with DEP. The Credit can carry over at a reduced rate for five years but expires if not used by the fifth tax year. ICSC does not believe that this is in keeping with the original intent of the legislation. In the original Brownfields Act of 1998 there was no deadline for claiming the tax credit based on when the response action outcome statement is submitted. The Credit should not expire until five years after it is claimed, regardless of when the permanent solution was achieved. This fact also brings to question the reduction of the Credit during the five-year carry over period. A company that achieves a solution but does not immediately seek the Credit is now penalized for each year they do not claim it. A broad coalition of industry groups, including ICSC, has urged DOR to revise its stance. The DOR is currently reviewing the comments and is in the process of revising the Directive.

MA: Commercial Food Waste Ban Proposed
In an effort to reduce the state's waste stream and promote clean energy, the Office of Energy and Environmental Affairs has proposed a commercial food waste ban to take effect July 1, 2014. The ban would apply to commercial entities that dispose of at least one ton of organic waste per week. Under the proposed regulation, restaurants would be required to donate or re-purpose useable food and ship the remainder to an anaerobic digestion facility, a composting operation or an animal-feed operation. Anaerobic digestion, or AD, converts food waste into renewable energy. The ban applies to managers of a buildings or shopping malls who contract for disposal for the entire property, where waste is combined. The state has made available $3 million in low-interest loans through the DEP's Recycling Loan Fund to private companies building AD facilities as well as $1 million in grants to public entities. ICSC is currently researching the issue and will be drafting testimony to submit to Energy and Environmental Affairs as this new regulation raises a number of issues for ICSC members in Massachusetts.

OH: Governor Signs Streamline Sales Tax Order
Ohio Governor John Kasich (R) signed Executive Order 2013-09K this month calling for the state's full membership in the Streamlined Sales and Use Tax Project (SSUTP). The order directs the Tax Commissioner of the State of Ohio to immediately take the necessary actions to apply with the Governing Board for Ohio's full membership in the SSUTP. Ohio currently participates in the SSUTP on an "associate" basis. Kasich's order notes that SSUTP changes last year eliminated a previous conflict with Ohio's origin-sourcing rules for intrastate sales. Republicans estimated about $20 million in additional tax collections for online and catalogue sales via full SSUTP membership as part of the overall tax reform agreement they reached late in the budget process. The full membership status continues the push by Governor Kasich to modernize Ohio's overall tax structure.

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