



E-Fairness Talking Points

Tell Congress To Pass E-Fairness This Year!

Scale and Scope of the Industry

- There are more than 115,000 shopping centers in the U.S.
- Only 1% are malls...almost 90% are small neighborhood centers serving local communities
- Almost 50% of these smaller centers are occupied by locally-owned businesses



Economic and Social Impact of the Industry

- Shopping center sales account for \$2.6 trillion, approximately 15% of GDP
- Retail industry is the largest employer in 21 states
- Shopping centers employ almost 13 million Americans...1 out of every 11 U.S. jobs
- Gathering points for the community to congregate with friends and family, dine, and be entertained
- Shopping centers generate \$167 billion in sales taxes and \$26 billion in property taxes annually, needed to fund critical infrastructure and services like police, firefighters and teachers



The Critical Need for E-Fairness

- Technology, applications and the Internet are leading to a more informed consumer and changing their expectations with respect to the shopping journey - quickly, and with little effort, consumers can compare products, read reviews and make purchases online for pick-up or delivery
- E-commerce is a mature business representing 7.3% of total retail sales in 2015
- However, because of an uneven playing field where one company must charge sales taxes and the other is exempt from doing so, consumers are incentivized to purchase the lower cost option.
- Despite that fact that these taxes are owed, they are seldom paid - leading to a shortage in public revenues at the state level: \$23 billion in uncollected U.S. sales taxes
- Without these taxes – which are rightly owed to the states – other sources of revenue may need to be increased to fund the baseline level of infrastructure and public services.
- Across our nation, these jobs and sales tax revenue are at risk because of Congressional inaction. The competitive forces of the free market should decide winners and losers, not the government.
- Macy's announced that it will close 100 stores, resulting in the loss of thousands of jobs. Other department stores and retailers are following suit. One of the reasons cited is growing sales by online-only retailers, who receive preferential treatment under our nation's sales tax regime.
- The lack of a federal solution has left states, local governments, and merchants with no choice but to seek disjointed and confusing remedies through individual state activity. As a result, complexity has increased for all businesses, with a disproportionate burden being placed on small businesses. In addition, state efforts have increased the likelihood of this issue being decided by the courts including current challenges to the 1992 *Quill vs. North Dakota* decision from the United States Supreme Court.

