



Legislature considers bill to benefit Tennessee businesses and raise a potential \$300 million in additional revenue

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May 13, 2010: Tennessee businesses are laboring to succeed on a playing field where they must always run uphill. Many out-of-state corporations who sell by Internet, mail order and phone do not collect Tennessee sales tax and most of their customers are not aware of their obligation to pay the tax. Therefore customers in search of the lowest price (and who isn't these days?) will buy from the out-of-state companies, harming local businesses and the local economy and depriving Tennessee of revenue that it desperately needs.

Tennessee citizens and businesses can correct this flaw in our tax system by supporting SB1741/HB1947, sponsored by Sen. Beverly Marrero and Rep. Mike Stewart. It will require out-of-state corporations that are not required to collect Tennessee sales tax to report annually the amount of their customers' purchases to the customer and to the state Department of Revenue.

Flossy McNabb, owner of Carpe Librum booksellers in Knoxville, says, "It's about time there was a level playing field for local Tennessee businesses trying to compete against the Internet giants. We fully support this effort and will let our customers know, too."

Tennesseans for Fair Taxation is calling on its members and all supporters of the bill to contact their State Senators and Representatives to vote for the bill. They also suggest that supporters voluntarily pay a token amount of Use Tax (the consumer-paid counterpart of sales tax) because it is currently difficult to calculate the precise amount of tax due until the bill passes and corporations comply by reporting the amount purchased.

Nothing speaks louder than your dollars, and the Department of Revenue will have a record of support for the bill. Use the form from the Department of Revenue:

<http://www.tennessee.gov/revenue/forms/sales/r0000501.pdf>

We cannot continue to condone tax avoidance, either by corporations or consumers.