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FOR IMMEDIATE RELEASE

JA Joins Coalition of Businesses Communicating Support for Sales Tax Fairness Bill

JA has united with 100 leading associations and retailers to press legislators for swift passage of Internet sales tax fairness bill

New York, NY – Jewelers of America has signed and endorsed a letter sent to leaders in Congress, asking legislators for swift passage of the Sales Tax Fairness and Simplification Act. The Act would permit states to require that remote sellers collect and remit sales and use taxes on catalog and Internet purchases.

The letter signed by JA was also signed by a 100-strong group of leading businesses, trade and government associations and unions united in support of S. 34, “The Sales Tax Fairness and Simplification Act,” introduced in the Senate by Senator Mike Enzi of Wyoming, as well as a companion bill of the same name, H.R. 3396, which was introduced in the House of Representatives by Rep. William J. Delahunt of Massachusetts. The variety of prominent signatories on the letter – the International Council of Shopping Centers, Retail Industry Leaders Association, Council of State Retail Associations, Council on State Governments, National Conference of State Legislators, JCPenney, Sears, Target, and Wal-Mart, to name a few – shows the widespread support for passage of this legislation.

The battle to pass Internet sales tax legislation continues to face obstacles in Congress. According to JA President & CEO Matthew A. Runci, “JA has been an advocate for sales tax fairness since the issue’s inception in 2002, and we will continue our efforts until Congress takes action to level the playing field between traditional jewelry businesses and Internet-only jewelry retailers.”

The coalition letter, sent recently to Senator Enzi and Congressman Delahunt, decries the tax advantage of online and catalog businesses. “Brick-and-mortar retailers are required to collect state and local sales taxes, while many online and catalog retailers are not.... This uneven and complex system imposes substantial costs on retailers and consumers and costs states and localities billions in lost revenue,” the letter states.

To create a more equitable system, the Sales Tax Simplification & Fairness Act would work in conjunction with the Streamlined Sales and Use Tax Agreement (SSUTA), passed in 2002, which helps harmonize states' sales and use tax rules, reduces the paperwork burden on retailers and incorporates new technology to modernize administrative procedures. The SSUTA is already effecting positive change in the 22 states that have implemented its requirements, which JA and the letter's other signatories recognize.

"The states and the business community have made great progress in simplifying state sales taxes," the letter states. "We call on Congress to respond to their efforts by passing [The Sales Tax Fairness and Simplification Act]. The legislation will give states that have complied with the Agreement the authority to require out-of-state sellers to collect sales tax on remote sales."

In addition to passage of federal legislation, achieving the ultimate goal of sales tax fairness across the 46 states that collect state and local sales taxes will involve state legislatures as well. State governments must each enact legislation to implement the requirements of SSUTA (visit www.streamlinedsalestax.org, to find out which states have not enacted SSUTA-supportive legislation). Retail jewelers in states that have not yet complied with SSUTA, can write to their local legislators pressing them to act swiftly. Jewelers supporting the federal legislation can also send letters to their United States Senators and Representatives (to find your legislators, visit www.congress.org).

Jewelers of America will closely monitor hearings and other action on the federal bill during the second half of the 110th Session of Congress in 2008, and, if necessary, into the next Congress in 2009, until the bill is enacted into law.

Editor's Note:

The Sales Tax Fairness and Simplification Act should not be confused with the recently enacted Internet Tax Moratorium extension. The Internet Tax Moratorium ban taxes such as Internet access taxes -- rather than sales taxes.

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