



# CITY OF CULVER CITY

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**MICHEÁL O'LEARY**  
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July 6, 2015

The Honorable Karen Bass  
United States House of Representatives  
408 Cannon HOB  
Washington, DC 20515

**Subject: H.R. 2775, the Remote Transactions Parity Act – Request to Co-Sponsor**

Dear Congresswoman Bass:

The City of Culver City urges you to co-sponsor H.R. 2775, the Remote Transactions Parity Act. H.R. 2775 will 1) level the playing field between online and brick-and-mortar retailers; 2) not introduce any new taxes; and 3) provide local governments with the resources they need to invest in communities, build infrastructure, and provide important services like emergency response.

The brick-and-mortar businesses in your District strengthen our local economies, provide much needed jobs, and give our streets character. Unfortunately, despite their necessity to our cities, these businesses currently compete at a 5%-10% disadvantage to online sellers, by collecting legally required sales tax at the time of purchase - something online retailers are not compelled to do. This imbalance hurts the 2,350 retailers in Culver City.

As more Americans shop online, more and more economic activity is diverted away from our communities. In 1992, the Supreme Court told Congress in its Quill decision to resolve the issue of sales tax collection by remote sellers. In the intervening years, Congress has failed to act, and the dollar value of sales conducted online has increased exponentially. If "Main Street" retailers cannot keep up as a result of this growing disadvantage, the ripple effect in lost jobs and revenue will threaten our communities' sustainability. Congress can fix this unfairness. E-fairness legislation would close the online sales tax loophole. This legislation would modernize the sales tax by authorizing states and local governments to collect already-owed sales taxes for online sales. This path will not harm small businesses, impose any new taxes, or affect federal revenues or expenditures.

By passing H.R. 2775, Congress will level the playing field for all sellers and provide fiscal relief for state and local governments without a penny coming from the Federal Treasury. Allowing local governments to collect an estimated \$23 billion in sales tax revenue every year, which is already owed, provides cities with more funding for basic services, such as roads and police officers, and fair competition for all businesses.

It is for these reasons that Culver City urges you to co-sponsor H.R. 2775. If you have any questions, or if you wish to discuss this further, please feel free to contact Mr. Jeff Muir, Chief Financial Officer, at (310) 253-6016.

Sincerely,

Micheál O'Leary  
Mayor

cc: The Honorable Members of the City Council  
John M. Nachbar, City Manager  
Jeff Muir, Chief Financial Officer