



May 24, 2011

To Members of the Pennsylvania State Legislature:

We are writing to you as a coalition supporting sales tax fairness and urge your support for legislation that would end the discriminatory sales tax policy that currently exists in Pennsylvania. There is no good reason why local retailers should collect the Pennsylvania sales tax, while our online competitors do not have to do the same thing. Every business who sells to customers in our state should follow the same rules.

Economic growth and job creation are two things we hear a lot about in Harrisburg and around the state. We certainly support any legislative efforts that will grow our state's economy. However, local Pennsylvania businesses are laboring under a handicap due to unfair competition from online-only retailers. Until the state addresses this issue, it will be difficult for many Pennsylvania businesses to thrive and create jobs.

The state levies a six percent sales tax on a wide variety of purchases. This tax is due, whether or not a consumer purchases a product online or in a store. State law mandates that only brick-and-mortar retailers collect this sales tax, though. Online retailers are able to avoid their responsibility—which gives them an automatic six percent price advantage.

This policy is destroying jobs in our Commonwealth. There are many local retailers that have shut down in recent years, due in part to the unfair competition from online-only retailers. Every business that closes means more Pennsylvanians are out of work. The respected economist, Dr. Robert Strauss of Carnegie Mellon University, has studied this issue and estimated that if the state stopped the unfair actions of online retailers, it would add around 2,700 new jobs.

Not only would bringing sales tax fairness help our state's businesses, it would also help our government. Dr. Strauss's study found that Pennsylvania is losing up to \$398 million a year by giving these online companies a break from collecting the state's sales tax. Considering the budget problems Pennsylvania has been grappling with in recent years, this is revenue the state could certainly use.

It's time to end the special break given to online-only companies that is hurting our local businesses, Pennsylvania's workers, and the state government. We urge you to change our state's sales tax policy, so all businesses are treated the same.

Sincerely,

Alliance for Main Street Fairness



Pennsylvania Alliance for Main Street Fairness

The following coalition members stand with over 200 Pennsylvania small business owners who want fairness against their online-only competition

Aaron's Books	Gettysburg Signs	Naturally Young
Abby's Gold and Gems	Giggybites	New Freedom True Value
Adventure Games	Giovanni's Room	Hardware
Allegheny College Bookstore	Girlfriend's Boutique	Octavio Miles Boutique
Allegheny Trade Co	Glass Growers Gallery Inc.	One Stop Sporting Shop
Ashton & Palotas Flooring Gallery	Grace Kelly Salon	Otto's, a booklover's paradise
Balloon Works	Grasshoper's Catering	Pages of the Past
Beadscope, Inc	Harleysville Books LLC	Pat's Bridal Boutique
Beatty Lumber and Millwork	Harrisburg Awards	Perfamania
Company	Head House Books	Pun's Toy Shop
Bendi Jewelers	Henderson & Co. Jewelers, Inc.	Rabel Furniture
Big Rich American Sports Shop	Higashi Pearls & Fine Jewelry	Ray's Flower Basket
Bills Garage Door & Services, Inc.	Ideas and Objects	Remnant Store, Inc.
Booktender's Bookstore and	In-A-Bind	Reserve Body Works
Gallery	J&J Fire Protection	Rozman Bros Electronics
Brent Optical, Inc.	Jaworski Sign Co.	Saltsburg River and Trail
Buona Pizza	Jeron Diamond Jewelers &	Salvtez
C C's Pizza	Gemologists	Scott TV Service
Cal-Ideas	Jim Ludwig's Blumengarten	Secrets Hair Salon
Chamelzon Clothing	John Miller and Sons	Ski Roundtop Operating Corp
Chester County Book & Music Co.	Joseph Fox Bookshop	Slippery Rock Business Association
Children's World Bookshop	Just Jennifer Gallery	Smith Village Home Furnishings
Codori House of Gifts	Kathy Karen Children's Shoppe	Snow Time
Comics on the Green	Kenny's Flower Shop	Spears Candles and Gifts
Corner Closet	Lackawanna Printing Company	Special Teas Tea Room and Gift
Dan Doubet Jewelers	Lancaster Reprographics	State Street Copy & Press
Dietz Hats	Leone Pat & Supply	Strine's Heating & AC
Dress Me Up	Lesuer's Country Cupboard	Susquehanna Design and Printing
Edge of Design	Levin Promotiional Products	Sweeper Central
Elmer's Aquarium and Pet Center	Marcone Supply	Tales and Toys
Embassy Vinyl	McGloin Florist	The Camera Box
Farley's Bookshop	Metallo's Formal Wear	The Carpenter's Shop
G & G Cigar Company	Michelle's Café	The Doylestown Bookshop
Gary Mann Jewelers	Mitrani at Home	The Erie Book Store
Gemmas Aclo Systems	Moyer Jewelers, Inc.	The Flowersmith

Paid for by the Alliance for Main Street Fairness

www.StandWithMainStreet.com

The Kitchen Shoppe
The Loft
The Morgan Gallery
The Norman-Alan Company
The Pink Hippo
Thomas Biagiotti Barber Shop
Tim Wagner Sports Corner
Tinder Box
TMS Associates
Total Document Resource
Traditions Unlimited
Trellis of Erie
Unknown Comics and Games
Wc Customz
WhistleShop Bookshop
Whitetail Resort