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ENACTING STREAMLINED SALES TAX WOULD HELP MISSOURI TAX STRUCTURE, BUSINESSES KEEP UP WITH CHANGING TIMES

The world – and the way we live in it – has changed significantly in the past few decades. Emails have replaced written letters, cell phones are becoming more common than landlines, and, increasingly, online shopping is taking the place of visiting local retailers.

One thing that has not changed with the times, however, is Missouri's tax structure. Unlike 23 other states in the U.S., Missouri has yet to pass the streamlined sales tax that would enable the state to collect sales tax on internet purchases. These are tax revenues that are already due but largely not collected, putting both the state coffers and local Missouri businesses at a disadvantage.

A recent report from the University of Tennessee estimates that Missouri will lose approximately \$159.4 million in state and local government revenue in 2010 from not collecting taxes on internet and catalog purchases. And that number will keep growing as more people turn to the internet for their shopping – by 2012 the projected loss to the state is \$210 million.

Missouri retailers are also losing out. When customers make purchases at their local stores – buying books, clothes or any number of other products Missouri – they pay sales tax when they check out. When the same customers purchase the same products over the internet, either no taxes are charged or Missouri may not be receiving them. This gives the advantage to online retailers who make no investment in our Missouri communities, and undermines our local businesses that support our state's economy and communities with their investment.

With Missouri facing a significant budget crisis this fiscal year, and even greater shortfalls in the years to come, we can't afford to overlook any critical revenue. To help offset further cuts to our state programs, and to level the playing field for local retailers, Missouri should join many of our neighboring states in passing the streamlined sales tax.