



Wayfair Fix Can Help Stabilize Missouri's Budget

By enacting the “Wayfair Fix,” legislators can level the playing field for Missouri businesses, help balance the state’s budget, and provide the much-needed resources our communities need to prosper.

While Missouri’s local businesses contribute to their communities through jobs and community partnerships, our state’s tax structure puts them at a competitive disadvantage compared to online out-of-state retailers that sell to Missourians.

- Local Mom & Pop shops across Missouri are required to collect sales taxes every time a purchase is made, yet out-of-state online retailers are not.
- Although sales taxes may be owed, under our current law, it’s the burden of taxpayers to track their purchases and remit what they owe.
- While our roads and bridges get the wear and tear of delivery, money leaves the state and our communities see little from these companies in return for their business.

The “Wayfair Fix,” named after the June 2018 United States Supreme Court decision in *Wayfair vs. South Dakota*, would implement the specific mechanisms needed to collect taxes from out-of-state retailers.

Not only would this remove the competitive advantage currently enjoyed by companies based out-of-state, but it would provide much-needed resources to our local communities.

Following multiple tax changes over the last five years, state revenue has become extremely volatile. If it does not stabilize, significant cuts to public services will be required. What’s more, some of those tax cuts are still being implemented, adding additional budget uncertainty over the coming years. The Wayfair Fix would allow Missouri to begin to reinvest in our communities, schools, roads and bridges, and other critical services that allow Missourians to prosper.

As an increasing number of online retailers now collect taxes that are owed, it is difficult to estimate the impact of the Wayfair Fix. However, using the lowest estimate from a U.S. General Accounting Office report, MBP broke down the revenue that Missouri might collect.

Potential State and Local Sales Tax Revenue for Missouri Resulting from Compelling Online Retail Collections	
State General Revenue (3% rate)	\$67.32 million
State Earmarked Revenue (1.225% rate)	\$27.45 million
Local Revenue (3.805% average rate)	\$85.23 million
TOTAL State and Local (8.03% combined average rate)	\$180 million

With the exception of only Missouri and Florida, all of the states that have a sales tax have implemented ways to capture sales tax that is due for online retail purchases.

By enacting the “Wayfair Fix,” legislators can level the playing field for Missouri businesses and promote the quality of life our families need to build a better tomorrow.