

Testimony before the House Tax Committee
HB 2610 – E-Fairness
Presented by Ryan Irsik, Walmart Public Affairs and Government Relations
Wednesday, March 7th, 2012

Walmart appreciates the opportunity to present testimony in favor of House Bill 2610.

We at Walmart are committed to the State of Kansas and its prosperity. Our company employs more than 20,000 Kansans and operates 73 stores in the state. In FYE 2011, Walmart collected on behalf of the State of Kansas more than \$295.6 million in sales tax. For that same fiscal year, we paid more than \$46.2 million in state and local taxes which went to support schools, police, firefighters, and other important services critical in local communities.

In FYE 2011, Walmart spent \$1.8 Billion dollars for merchandise and services with 788 suppliers in the state of Kansas. As a result of Walmart's relationship with these suppliers, Walmart supports 36,472 supplier jobs in this state.

Finally, in 2010 – Walmart stores, Sam's Club locations and the Walmart Foundation gave more than \$6.9 million in cash and in-kind donations to local organizations in the communities they serve in the state of Kansas.

I outline our dedication to Kansas because we are currently operating at a 5-10 percent disadvantage to large, out-of-state, online only retailers. We, along with thousands of other Kansas businesses, face this daily disadvantage due to outdated laws that do not reflect today's realities.

Unfortunately, our state's laws have failed to address the realities of e-commerce. We still operate on laws created decades ago before the internet was developed. The state's outdated laws have created major loopholes that out-of-state online retailers have exploited to avoid collecting sales tax that other retailers must collect.

This issue is about fairness. From the time we enter school, we are taught that in America everyone plays by the same rules. Throughout our history, there have been those who tried to bend the rules in their favor. But justice and fair play have always prevailed. For example, in the early 1900s, the trustbusters ended monopolies in the marketplace. In this country, fair play is more than a phrase; it's a philosophy that guides our market and encourages competition and innovation.

When companies have to play by the same rules they have to compete harder for customers. And that means lower prices, better service and more jobs. When some companies are allowed to skirt the rules because of outdated laws, the rest of us pay the price.

Walmart and many other Kansas businesses supporting HB 2610 are not asking for special treatment, but rather for fairness.

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