



Testimony

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Internet Sales Tax HB 2756

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The Unified Government of Wyandotte County/Kansas City supports legislation to permit the collection of *existing* sales and use taxes from remote sellers.

The issue of collecting remote sales taxes has escalated in recent years due to the Internet's growth as a retail marketplace.

As a result, state and local governments have lost billions in uncollected sales taxes and Main Street businesses find themselves at a significant competitive disadvantage with online merchants.

In 2017, online retail sales in the United States grew faster than it has since 2011. E-commerce represented 13% of total retail sales in 2017 and 49% of the growth. Total retail sales reached \$5.076 trillion in 2017, a 4.4% jump from \$4.863 trillion in 2016.

E-commerce represented 13% of total retail sales in 2017, a marked increase from 11.6% in 2016. Amazon is responsible for much of the gains. The organization Internet Retailer, estimates the total value of transactions from American consumers on Amazon.com reached \$189.6-billion last year. That's a 30% increase compared with \$145.7-billion in sales for 2016.

Clearly, E-commerce and online retail sales are here to stay and grower more popular. Loss of sales tax revenue is certainly a serious concern, but the Unified Government is also concerned about the future of Main Street, brick and mortar stores.

We are making concerted efforts to revitalize downtown Kansas City, Kansas and have had some success in attracting new businesses. Many of them are small and locally owned. The uneven playing field created by current laws dealing with sales tax for on-line purchases makes opening a traditional business even more difficult.

The Unified Government supports HB 2756.