



The Retail Association of Nevada Starts Campaign for Sales Tax Fairness

Media Campaign Starts Today

The Retail Association of Nevada (RAN) is supporting legislation that would bring equality and fairness to Nevada's Sales Tax collection efforts. E-Fairness would change the method used to collect sales taxes on purchases made from certain internet retailers. Most Nevadans are not aware that they owe the sales tax on such purchases and are required to file a "Consumer Use Tax Return" and send the taxes due to the Department of Taxation. Consequently, the state loses the revenues from these existing taxes.

The Retail Association will begin a television and radio campaign today that supports the E-Fairness legislation. The radio and television spots describe the current system and notes that this system costs Nevada's education system millions of dollars in owed but uncollected Local School Support Taxes.

In order to support our schools and a fair playing field in our neighborhoods and in cyberspace, RAN will propose an amendment to SB34, currently in the Assembly Taxation Committee, that will end the special treatment on companies who choose to make their consumers liable for paying the existing tax.

Currently, all retail locations and many internet sites collect the sales taxes due on purchases and send the funds to the state. As it currently stands, retailers have to collect sales taxes in states where they have a physical presence, called a "nexus." Since most major retailers (such as Target, Best Buy, Wal*mart, Borders, etc.) have a presence in Nevada, these retailers collect Nevada sales taxes on all sales, including online sales.

When internet retailers don't charge the consumer sales tax, the consumer is responsible for remitting the tax to the Nevada Department of Taxation. The prices charged by these internet retailers, then, appears to consumers to be lower by 7 or 8 percent because the consumer is not charged the sales tax by that retailer.

A study conducted on behalf of the Retail Association of Nevada by Applied Analysis (attached) concludes that as many as 900 retail jobs are lost in Nevada because of this inherent disadvantage to brick and mortar stores.

According to Bryan Wachter, Director of Government Affairs for the Retail Association of Nevada, "Nevada's tax collection system should be applied in a fair manner that does not give certain internet businesses a major government-created advantage over competitors. It's also

unfair to require the consumer to have to remit the current sales tax on behalf of certain internet sellers while other internet sellers and all brick and mortar stores shoulder this burden on behalf of the state.” Wachter added that since most consumers are unaware of the requirement that they send the sales taxes to the state, the current system is inadvertently making lawbreakers of most Nevadans.

Mary Lau, President of RAN, added “This legislation is neither a new tax nor an increase in taxes. Instead, this legislation would increase state revenues through a more fair and effective tax collection method.”

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