



May 4, 2011

AB 153 (Skinner) – SUPPORT

The Honorable Henry T. Perea
Chair, Assembly Committee on Revenue and Taxation
State Capitol
Sacramento, CA 95814

Dear Assemblyman Perea:

On behalf of CalSmallBiz, representing small businesses which comprise California's economic backbone, I write in strong support for AB 153, by Assembly Member Skinner. As you know, this important legislation seeks to address a harmful loophole in California tax law that has placed California small businesses at a competitive disadvantage to out-of-state online retailers.

AB 153 proposes a very narrow fix which is designed to address the unfair tax advantages for out-of-state retailers which are competing with California small businesses, because under current law, these retailers are not required to collect sales tax at the point of purchase. This loophole allows out-of-state retailers to sell at final prices that are considerably lower than those charged by local retailers which are required to include tax as part of the total cost to the consumer.

In the current economy, this absence of tax revenues presents both a serious disadvantage to small businesses in our community, as well as our state's public employees and government services.

Additionally, the revenue achieved by enforcing the existing tax requirements equally on all parties ensures that local businesses are on a fair playing field with out-of-state online only businesses. Our commerce is changing rapidly and our state needs to keep pace with these changes. We urge you to support local businesses by adopting language that will close this loophole and level the playing the field for California businesses.

CalSmallBiz offers candid communications on legislative matters with small businesses and business interest groups throughout California. For the reasons outlined above, the passage of AB 153 from the Assembly Revenue and Taxation Committee is critically important to the well-being of California small businesses. Thank you for your consideration of our input on this legislation. If you have questions, please feel free to contact me at 916-488-6288.

Sincerely,


Matt Gray