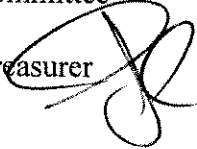


Daniel J. Diliberti
Milwaukee County Treasurer

DATE: September 7, 2012

TO: Willie Johnson, Jr. and David Cullen,
Co-chairs, Finance, Personnel & audit Committee

FROM: Daniel J. Diliberti, Milwaukee County Treasurer 

RE: Sales Tax Application to Internet Sales

I am writing to express my support for the attached draft resolution forwarded by the WCA Board of Directors regarding the application of sales taxes to internet sales. My reasons for support can be summarized in one word: "jobs."

The lack of a uniform mechanism to apply state and local sales taxes to internet sales has created tax loophole that has long been in need of redress. Exempting internet sales from sales taxes has, in reality, turned the sales tax into a surtax tax on doing business locally. Current law, in effect, raises the cost of purchasing goods and services in local retail businesses by exempting on-line-only stores from sales taxes while mandating their collection in local retail establishments. In doing so, we have effectively created an incentive for people to forego local business in favor of internet store purchases. Wisconsin is already, for all intents and purposes, subsidizing internet sales to the tune of \$100-\$200 million dollars and driving people away from local retail stores in favor of a tax free internet black market - where people obtain the same consumer goods elsewhere for approximately 6% less (often accompanied by free mailing and shipping offers).

With 71% of the American economy based on consumer purchases, we can ill afford to drive increasing amounts of retail sales away from Wisconsin stores and to on-line and, often, out of state companies.

In the interest of job retention, supporting local businesses, providing funding for much-needed services, and implementing fair and uniform tax laws, I urge you to enact a similar resolution and express support for state and national efforts to make this change possible.

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MEMORANDUM

TO: County Board Chairs, Executives, Administrators, and Administrative Coordinators

FROM: Mark D. O'Connell, WCA Executive Director

DATE: August 29, 2012

RE: Sales Tax Resolution

We have recently received several requests for a draft resolution regarding collecting sales taxes related to Internet sales. Enclosed you will find a draft resolution the WCA legislative staff is asking you to consider introducing at your next board meeting. Currently, between \$100 million and \$200 million is being uncollected annually in Wisconsin state and local sales tax due to online-only retailers not collecting and remitting the tax. To assist WCA's lobbying efforts on this issue, we are asking county boards to adopt resolutions supporting legislation that would require online retailers with subsidiaries or affiliates located in Wisconsin to collect and remit state and local sales tax.

Not only is this a marketplace equity issue for traditional brick and mortar businesses in Wisconsin that are currently collecting sales tax, but it is also a revenue issue for county government. At a time when state aids are declining and sales tax growth is uncertain, enforcement of the state's sales tax law is critical.

Again, please consider introducing this resolution at your next board meeting. If your board does adopt the resolution, please inform WCA Research and Legislative Associate Kyle Christianson.

cc: WCA Board of Directors

MARK D. O'CONNELL, EXECUTIVE DIRECTOR

County Board Resolution

Approved this ____ Day of _____, 2012 by
_____ County

Relating to

Supporting Legislation Requiring Online-Only Retailers to Collect and Remit Wisconsin Sales Tax

WHEREAS, under current law many online-only retailers are refusing to collect and remit sales taxes in states where they do not have a physical presence; and

WHEREAS, this creates an unfair price advantage for online-only retailers over traditional brick-and-mortar Wisconsin businesses that provide Wisconsin-based jobs; and

WHEREAS, as the amount of unpaid tax by some people grows, more revenue needs to be collected from everyone else to compensate; and

WHEREAS, uncollected Wisconsin state and local sales tax revenue is estimated between \$100 and \$200 million annually; and

WHEREAS, sales tax revenues are an important component of state and local government budgets; and

WHEREAS, this resolution supports all Wisconsin residents, businesses and units of government.

NOW, THEREFORE, BE IT RESOLVED that _____ County does hereby support legislation requiring online retailers with subsidiaries or affiliates located in Wisconsin to collect and remit Wisconsin state and local sales tax.