

Internet Tax Moratorium

*eBay opposes raising taxes on the Internet or its uses, and supports a permanent extension of the moratorium on taxing Internet access. **The Internet Tax Moratorium imposes a ban on Internet access taxes. There should be no link between that and the unrelated issue of collecting remote state sales taxes.** This is certainly not the time to impose a major new tax collection burden on Internet vendors working to implement successful new business models, nor is it wise macro-economic policy to impose what is effectively a tax increase on American consumers.*

eBay is an engine for small business growth

- We provide over 100,000 mostly small and medium-size merchants a low-cost alternative to sell goods and services to national and international customers.
- These small entrepreneurs are likely to be disadvantaged by a distant sales tax collection regime that forces them to comply with laws up to 15,000 distinct taxing jurisdictions around the country (there are 7,600 currently).
- A distant sales tax collection regime places eBay's army of entrepreneurs at a competitive disadvantage vis-à-vis their offline counterparts, who are only required to collect and remit taxes in one jurisdiction. It could force thousands of Internet businesses to shut down.

The State Simplification Tax Project (SSTP) is still remarkably “un-simplified”

- It does little to reduce the 7,600 different state, county and city taxing jurisdictions; in fact, it could increase that number to as many as 49,000.
- It leaves many issues unresolved (i.e. sales tax holidays, digital distribution, and registration of tax exempt organizations). These and other controversial issues must be resolved before moving forward.

Technology Neutrality

- Any simplification program must ensure technology neutrality for Internet intermediaries.
- Internet intermediaries or portals must be held to the same standard as shopping mall owners.

No increased tax burden on small business

- With the help of continued small business creation (fostered by Internet marketplaces like eBay), the economy is still struggling to get back on its feet after a severe downturn.
- As Washington is debating the size and scope of an economic growth package, now is not the time to impose new tax burdens on American consumers and small business owners.

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