NEWS RELEASE

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NAREIT ENDORSES MAIN STREET FAIRNESS ACT

Washington, D.C. -- The following is a statement by the National Association of Real Estate Investment Trusts® (NAREIT) in support of The Main Street Fairness Act:

"Under current law, Internet and other sellers that do not have a physical presence in a state avoid the responsibility of Main Street retailers who must collect the sales and use taxes necessary to fund basic government responsibilities. As a result, billions of dollars in sales taxes owed state and local governments for remote sales – estimated at over $10 billion a year annually by 2012 have gone uncollected.

NAREIT, which represents REITs and other publicly traded real estate companies that own and operate shopping centers, regional malls and free-standing retail properties, remains committed to equality for online and onsite business operations. We believe all commercial transactions should be subject to the same tax treatment. Remote vendors should not be afforded an economic advantage over brick and mortar businesses that are the lifeblood of our communities.

A multi-state compact approved in 2002 would level the playing field by authorizing states that have conformed their sales tax statutes to comply with a simplified model agreement to require existing sales and use tax collection from all sellers. Over the last several years, twenty-four states have displayed leadership by agreeing to simplify sales tax administration as well as equalizing sales tax collection responsibility by all retailers selling to in-state customers in accordance with this compact. However, Congressional authorization, such as that included in the Main Street Fairness Act, is necessary. By providing Congressional consent to this compact, the Main Street Fairness Act would grant authority to the conforming states and require retailers -**other than the smallest sellers -** to collect sales tax on remote sales -**and receive compensation for doing so**. This authority would not be provided to states that do not conform to the compact.

As a result, the Main Street Fairness Act would provide billions of dollars in funding to many state and local governments with minimal or no cost to the federal government, assisting these states and localities in providing vital support for essential services, including education, emergency preparedness, homeland security, health care, and transportation.

(More)

NAREIT commends the sponsors of The Main Street Fairness Tax Act for responding to states' fiscal needs. We urge their colleagues in Congress to adopt this important legislation without delay so that simple - and equitable - sales tax collection becomes a reality nationwide."

To read the text of the act, click here.

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