Grover G. Norquist

*President*

The Honorable Lamar Smith

2409 Rayburn House Office Building

Washington, DC 20515

The Honorable Steve Cohen

2404 Rayburn House Office Building

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The Honorable Steve Chabot

2371 Rayburn House Office Building

Washington, DC 20515

The Honorable Trent Franks

2435 Rayburn House Office Building

Washington, DC 20515

September 13, 2016

Dear Congressmen:

On behalf of American taxpayers, I write to thank you for your support of the Digital Goods and Services Tax Fairness Act (HR 1643), and urge you to continue your steadfast advocacy for this measure.

This legislation prevents double taxation and holds policy makers accountable for enacting new taxes by establishing digital tax borders across the fifty states. Given the interstate nature of ecommerce, it is important for Congress to clarify taxing authority.

Without a framework of digital borders for digital goods and services, the door remains open for a single consumer purchase to be taxed in multiple states.

For example, a consumer based in Nebraska could purchase a digital good from a California company located on a server in Wyoming and could be subject to taxes from three separate jurisdictions for one purchase, if HR 1643 is not passed into law.

Taxation of intangible goods is without precedent. As a result, a patchwork of varying laws for taxing digital goods, streaming services and apps have developed by administrative fiat rather than a vote from elected officials.

Numerous states have expanded the definition of a good or service through the various departments of revenue or other administrative bodies, bypassing the elected state legislators altogether. There must be a mechanism in place to hold these policymakers accountable to their constituents.

HR 1643 passed out of the House Committee on the Judiciary by voice vote.  We look forward to seeing this bill pass on the House floor.

If you should have any questions regarding this issue please contact me, or Katie McAuliffe at [kmcauliffe@atr.org](http://undefined/) or 202-785-0266.

Onward,



Grover G. Norquist

Cc: All members