

[Bob Kinzel, VPR News](#)

(Host) A growing coalition of Vermonters says it's time online stores like Amazon.com had to charge their customers the state sales tax.

Many local businesses argue it's a matter of fairness.

VPR's Bob Kinzel has more.

(Kinzel) Bear Pond Books is located right in the heart of Montpelier. The store still features old wooden floors and stacks of books that rise from floor to ceiling.

Under current law, if you buy a book at Bear Pond, you have to pay the state sales tax. But if you purchase it online, you pay the tax only if the company has a physical presence in your state. And not many on line retailers have local outlets.

Claire Benedict is the co- owner of Bear Pond Books. She thinks this situation is unfair.

(Benedict) "This law would level the playing field for small businesses in Vermont and around the country to compete with large e-retailers. When they initially made this law, that the e-retailers wouldn't have to pay the sales tax, it was because they were small start-ups and it was considered burdensome for them to have to do so. Now they're humongous. Companies like Amazon are huge."

(Kinzel) It's estimated that the proposed bill will raise more than \$40 million a year in Vermont. Benedict says it's an important source of revenue.

(Benedict) "Lots of budgets have been cut here in Vermont and there's money sitting out there waiting to be collected. So Amazon gets richer while our school budgets get cut or our social service budgets get cut."

(Kinzel) Congressman Peter Welch is a co- sponsor of the legislation:

(Welch) "Our merchants face a lot of challenges and anybody in retail will tell you that if you do everything right, you have a shot at success. But the wolves are never far from the door. And when they have to deal with an unfair competitive advantage that the Amazons have, that's just another nail in the coffin of difficulty. So I want fairness and I want strong and vital downtowns. "

(Kinzel) Ellen Tofferi is Vermont's Tax Commissioner. She points out that Welch's plan is not a new tax. Currently under Vermont law, if a consumer buys a product out of state or online, they're supposed to pay the Vermont sales tax on these items when they file their annual income tax returns. But almost no one follows the law.

She says this new bill is a way to shift responsibility from the consumer to the retailer:

(Tofferi) "To assure that we were treating all retailers equitably, regardless of where they were doing business, and to recoup revenue that was not being collected from the out-of-state retailers."

(Kinzel) The Lake Champlain Regional Chamber of Commerce strongly supports the bill. Vice President Tim Shea says many consumers look at products locally, and then buy them online to avoid paying the sales tax.

(Shea) "We hear time and time again that consumers are coming in, doing their homework, identifying a product with local retailers and going out and buying it online. And I think the retailer community would say that they want to level the playing field, where people have to pay tax when purchasing a product online."

(Kinzel) Congressman Welch says support for the bill is growing in Washington and he's hopeful that it will receive strong consideration this year.

For VPR News, I'm Bob Kinzel in Montpelier.