

Workshop Explores Glitch in Sales Tax Collection

TALLAHASSEE, FL – The House Committee on Ways & Means hosted a workshop on Monday, Feb. 15 to discuss remote commerce and sales and use tax. The workshop featured a panel that included three Florida retailers and members of the Florida Retail Federation (FRF). The workshop was prompted by House Bill 15, a proposal sponsored by Representatives Chuck Clemons and Chip LaMarca that would “fix the glitch” in Florida’s tax laws by enforcing the collection of sales tax from online businesses.

Currently, all of Florida’s retailers collect and remit state and local sales taxes, but online and foreign businesses do not. Members of the FRF who participated in the workshop include: Clara Arrington, the assistant general counsel of Badcock Home Furnishings, Larry Sinewitz, the executive vice president of BrandsMart USA, and Debbie Harvey, president and COO of Ron Jon Surf Shop. During the discussion, the retailers described the damaging effects of “showrooming,” or visiting a store

in-person to view a product and then purchasing at a discounted rate from an online retailer. “Our sales associates work hard,” said Clara Arrington of Badcock Home Furnishings. “They’re knowledgeable about the products. Customers are able to come in, see the products, see what they look like, how they feel, ask questions... but they’re able to look on their phones and see other retailers that have been given a six to seven percent head start. Not only does that hurt the corporation, but it hurts

the dealers who are small business owners and the associates who operate on a commission structure. We’re at a disadvantage because of the unequal enforcement of the sales tax.” Consumers may find the same product available in-store and online at a competitive price before sales tax is calculated, but the total price could be 6 to 7 percent cheaper if the out-of-state retailer fails to collect and remit the sales tax owed. Lary Sinewitz of BrandsMart USA echoed this problem. He stated,

“When somebody can come into our marketplace and sell things for seven percent cheaper than we can just because they are not collecting the sales tax... it’s just not correct.” “All we’re asking for is a level playing field. If we do that – we and our 1700 employees – can stay in businesses.” Debbie Harvey, a former chair of the FRF, also spoke to the committee. She explained the lack of enforcement of sales tax from purchases made from out-of-state vendors place her business at a price dis-

advantage. Ultimately, it hurts the employees, who are fellow Florida residents and neighbors who support the state’s economy. “The proposed legislation is crucial to the success of our Florida retail stores,” said Scott Shalley, president and CEO of the Florida Retail Federation. “Florida retailers just want a fair shake. It’s time we fix the glitch and require out-of-state retailers to comply with the law. We are proud to support House Bill 15, and we are grateful to Reps. Clemons and LaMarca for bringing this issue to light.”



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