



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

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March 30, 2011

At the March 30, 2011 Small Business Commission meeting, the following findings and resolution were adopted:

FILE NO. R-2011-003-SBC
RESOLUTION NO. 003-11-SBC

SUPPORTING THE PASSAGE OF ASSEMBLY BILL 153 (SKINNER)

WHEREAS, Based on a 2010 report by Prof. Richard A. Parker of San Diego State University, it is estimated that California-based retail businesses are losing \$4.1 billion annually to sales to exclusively online retailers. These losses are projected to grow to \$7.7 billion in 2015 and \$14.3 billion in 2020;

WHEREAS, The above report also finds that 18,300 full-time equivalent jobs are currently lost as a result of out-of-state online sales. This number is projected to grow to 34,100 in 2015 and 63,400 in 2020;

WHEREAS, Out-of-state online retailers are exploiting an outdated law which exempts them from paying state sales taxes, an advantage of nearly 10% over brick and mortar businesses in California that collect sales tax at the register;

WHEREAS, Brick and mortar small businesses in San Francisco and California are at a considerable disadvantage as they pay all of the costs associated with doing businesses in the City and State;

WHEREAS, AB 153 would clarify state laws to require internet based non-California merchants with a network (affiliates) in the state to collect sales tax on purchases shipped into California;

WHEREAS, This bill would play a significant role in leveling the playing field for California businesses;



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WHEREAS, According to the State Board of Equalization, this bill has a projected revenue of over \$300 million, which will help secure needed revenue to support essential local services;

THEREFORE, BE IT RESOLVED THAT, the Small Business Commission of the City and County of San Francisco supports AB 153, and urges the California Senate and Assembly to pass AB 153, and urges the Governor to sign AB 153 into law.



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April 1, 2011

The Honorable Nancy Skinner
State Capital
P.O. Box 941849
Sacramento, CA 94249

Dear Senator Skinner:

At our March 30, 2011 meeting, the San Francisco Small Business Commission discussed and passed a resolution in support of your proposed Assembly Bill 153.

The Commission appreciates the work that you have done to correct this outdated tax policy.

Your commitment to small businesses both locally and across California is recognized and it is with great pleasure that I submit to you the attached resolution in support of SB 153.

Regards,

Regina Dick-Endrizzi
Executive Director, Office of Small Business