



November 14, 2016

The Honorable Kevin McCarthy  
Majority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

RE: Support for H.R. 1643, Digital Goods and Services Tax Fairness Act

Dear Leader McCarthy:

On behalf of the Computing Technology Industry Association (CompTIA), I wanted to express my strong support for the Digital Goods and Services Tax Fairness Act (H.R. 1643) and respectfully request that you bring the legislation to the House floor for a vote before the end of the 114<sup>th</sup> Congress.

The Computing Technology Industry Association is a non-profit trade association serving as the voice of the information technology industry. With approximately 2,000 member companies, 3,000 academic and training partners and nearly 2 million IT certifications issued, CompTIA is dedicated to advancing industry growth through educational programs, market research, networking events, professional certifications and public advocacy

As you may know, 87% of Americans use the internet and over 200 million internet users made a purchase on-line last year. Many of those purchases were digital goods and services, including music, books, and movies. The digital economy is growing, but unfortunately the lack of clear tax collection laws that govern purchases of digital goods and services is potentially harmful to consumers and deliver significant uncertainty to providers.

Without a federal framework, multiple states could tax the same purchase of a downloadable song – the state where the consumer resides, the state where the consumer is physically located at the time of purchase, and the state that may house the servers where the songs originate. Furthermore, unfair and burdensome discriminatory taxes could be added to these purchases above and beyond sales tax.

Consumers, providers, and taxing jurisdictions deserve a framework that provides certainty to everyone. H.R. 1643 is bipartisan legislation that would prevent duplicative taxation of digital goods and services by sourcing the purchase at the consumers' home address and it would also prohibit discriminatory taxes. This is similar framework that established by Congress for mobile phones when they passed the Mobile Telecommunications Sourcing Act.

The IT industry relies on the digital economy and its continued growth. We strongly believe that the absence of the federal framework outlined in H.R. 1643 will only create additional hurdles for the industry to remain globally competitive and provide greater uncertainty within the digital marketplace. States should always have the choice on whether to apply sales taxes to digital

products, but multiple states should never be able to tax the same transaction and discriminatory taxes should never be applied to these purchases. H.R. 1643 will ensure that does not happen.

I respectfully request that the House consider this important legislation before the end of the 114<sup>th</sup> Congress.

Sincerely,

A handwritten signature in blue ink, appearing to read "Liz Hyman", with a long horizontal flourish extending to the right.

Liz Hyman  
Executive Vic President, Public Advocacy