

MFA's Dooming Impact



An Extreme Risk for Catalog & Mail-Order Retailers

Presented by Hamilton Davison, President & Executive Director
American Catalog Mailers Association





Americans Rely on Catalog & Mail-Order Shopping

- ◆ Nearly half of **America buys from catalogs** at least once per year
- ◆ Nearly **10% of catalog shoppers** place their orders using traditional mailed-in order forms
- ◆ Nearly **22% of catalog shoppers** (18 million) are over the age of 65
- ◆ Nearly **20% of catalog shoppers** (16 million) are between ages 55-64
- ◆ Catalogs are especially important for **rural Americans, shut-ins** and the **infirm**.

For more on the social and cultural benefits from cataloging, see: <http://bit.ly/14Atg7u>



MFA Will Adversely Impact Catalog & Mail-order Commerce in Many Ways

◆ Businesses will Suffer...

Cost of Compliance: TruST research found that each mid-market & catalog retailer will spend:

\$80-290K in Initial Setup Fees

\$57-260K in Yearly Maintenance Costs



Full study available at <http://bit.ly/1HYhXnE> or www.truesimplification.org



A Mountain of Worries...

Beyond compliance costs... there are other concerns:

- ◆ Educating customers and consumer confusion
 - ◆ *Anything that adds complexity to the order process depresses order rates*
- ◆ Subjection to multiple audits
 - ◆ *Underemployed accountants become commissioned bounty hunters???*
- ◆ Subjection to over 9,600 taxation jurisdictions
 - ◆ *Need for additional accounting staff and legal representation*



There's Vast Room for Error...

Exempt from
taxation in

Louisiana



4 Wheel Scooter Takes You Where You Want to Go

Adjustable width arms
Height adjustable seat
Blue-02

Flat-free tires
The Bobcat™ Scooter has easy-to-operate thumb throttles and turns on a dime making trips to the mall, doctor's offices and more practically effortless. Plus, it has a height adjustable seat, adjustable width arms, flat-free tires and a large carry basket – all at an affordable price. Designed with 4 wheels for added stability, it has a cruising range of 7½ miles and a top speed of 4 mph. Compact 4-piece design makes tool-free assembly and disassembly easy. Supports up to 250 lbs. Includes two rechargeable batteries.

Red-01
Disassembles into 4 pieces to fit in car trunk

SAVE 54%

◆ #065871 Bobcat™ Scooter
\$1752.40.....\$799.99

Includes a FREE Peace Of Mind Delivery/Service Protection Plan.
(Please see order form for details.)

Not exempt from
taxation in

New York





Customers Will Suffer...

- ◆ **Burdening the Consumer** – The responsibility for computing tax could encourage customers not to shop

SHIPPING, HANDLING & PROCESSING		4	Total Merchandise	\$
Order Total	Add		REWARDS MEMBERS	Subtotal:
REWARDS MEMBERS	\$4.99		Members take 5% discount on merchandise	
for details see reverse			REWARDS Annual Fee add \$14.99	\$
Up to \$25.00	\$4.99	→	Add Shipping, Handling & Processing	\$
\$25.01 to \$50.00	\$8.99		Add \$7.95 for Express Delivery	\$
\$50.01 to \$75.00	\$8.99		or add \$16.95 for Express PLUS	\$
\$75.01 to \$100.00	\$10.99		Priority Service plus prompt FREE	\$.99
Over \$100.00	FREE		Replacement for orders lost in transit	
			Subtotal	\$
			ADD SALES TAX	\$???
			(see below)	
			TOTAL AMOUNT DUE	\$

Canadian orders payable in U.S. funds only.
Please double the shipping and handling.

- ◆ **Computing the Tax** - While the tax rate computation is simple math, the confusion comes in for issues like:
 - Non-standardized classification of products by each state
 - Ordering on a sales tax holidays
 - Penalty for miscalculation – who absorbs the difference?



And Many Rates to Review...

- ◆ AmeriMark Direct, mailer of several catalogs, would have to create a **54-page booklet** that explains to customers how to determine sales tax based on their state, explaining tax holidays, exemptions, rates.



THE PLAIN DEALER



*AmeriMark
Direct
president
wonders how
his catalogs
will collect
sales tax under
the MFA*



Businesses will be Burdened & May Even Shutter...



*“To collect and remit sales tax in all these jurisdictions is so undoable, **I don’t think we’d be able to exist** without a massive level of simplification
– Terri Alpert, Founder &, CEO*

Una Alla Volta.
FROM THE HEARTS & HANDS OF ARTISANS®



The Artisan Table®

For more details on the risk to business, see ACMA’s Congressional testimony: <http://bit.ly/1HYciOZ>



LET'S MAKE THE
**MARKETPLACE
FAIRNESS ACT**
**TRULY
FAIR**

TruST

TRUE SIMPLIFICATION OF TAXATION

www.truesimplification.org



Thank You



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