



Supreme Court hands a win to downstate communities, Main Street retailers

June 21 2018 12:43 PM

SPRINGFIELD – Today’s U.S. Supreme Court ruling that e-commerce retailers should pay the same local sales taxes as brick-and-mortar businesses is a victory for downstate Illinois communities that have seen their local economies decimated because of online shopping, State Senator Andy Manar said.

“Out-of-state corporations have been gaming the system for a long time, with alarming consequences for cities like Springfield, Decatur and small towns all over the district I represent. We’ve watched storefront after storefront close and retail workers sent to the unemployment line,” said Manar, a Bunker Hill Democrat who has met with local small business owners and listened to their concerns about this issue.

“While online shopping is a wonderful convenience for rural consumers and businesses, it can also be a pox for many of the retailers we rely on to support our towns,” he added. “I’m talking about the moms and the pops who struggle to compete with faceless corporate giants that always manage to undercut them online because they get to play by a different set of rules.”

Illinois is poised to benefit right away from today’s Supreme Court ruling. Manar helped advance bipartisan legislation that requires out-of-state e-commerce retailers that do business with Illinois customers to collect a use tax under two conditions: their cumulative gross receipts exceed \$100,000 or they have more than 200 separate transactions with customers in Illinois.

The measure creates a level playing field for retailers and will bring more economic stability to communities that have been hard hit by business closures the past few years.

Those effects aren't limited to job losses. Declining local sales tax revenue means less money for road and sewer repairs, sidewalk improvements, fire and police protection, and other local needs.

Lawmakers incorporated the Senate measure into the budget bill that was signed into law June 4 in anticipation of the Supreme Court decision. Now, out-of-state retailers are going to have to get used to the idea that they must pay their fair share, Manar said.

"The times change. Consumer habits change. I get that," he said. "But if we don't correct this imbalance, I fear some of our rural communities will be ghost towns in a few years."