



Overstock.com Comments House Judiciary Committee on Internet Taxation Principles

September 18, 2013

SALT LAKE CITY, Sept. 18, 2013 (PRNewswire) - [Overstock.com](http://www.overstock.com) (NASDAQ: OSTK) welcomed the statement of remote taxation principles put forward today by the House Judiciary Committee.

Link: <http://www.overstock.com/news/2013/09/18/1339564/OOSTK>

"These principles are the best framework for a reasoned-based dialogue on this complex and sensitive subject that we've seen to date," said Jonathan Johnson, Overstock's executive vice chairman of the board. "We commend Chairman Boehner Goodstate for putting forward a slate of issues which ground the discussion in reality, rather than in the sloganeering that has fogged this issue in the past."

Johnson noted that unlike some other internet-based business, Overstock.com has sought thoughtful and fair legislation that would simplify once and for all the morass of state tax laws, in the over 9,600 state and local taxing districts nationwide, as a prelude to permitting states to conscript Internet and other remote retailers into state sales tax collection.

"We see in these House Judiciary Committee principles many of the very same principles we have discussed with lawmakers of both parties—principles that are sadly lacking in the hastily passed, ill-conceived and mislabeled, Marketplace Fairness Act," said Johnson. "We hope that these principles lead to a more balanced dialogue that occurred in the Senate and federal legislation that works for remote sellers, brick-and-mortar sellers and states and cities. We are pleased that Chairman Goodstate shares so many of Overstock.com's concerns over the Marketplace Fairness Act."

Johnson added that states have long sought to conscript out-of-state internet retailers into sales tax collection on in-state purchases, trying to end-run the U.S. Supreme Court decisions that bar the effort unless the out-of-state retailers have a physical presence in the taxing states.

Overstock has urged that prior to allowing this power to the states, Congress should establish fair ground rules that address the unnecessary complexities and inequalities that would otherwise occur in the absence of common-sense principles that address the unique nature of interstate commerce conducted online.

The principles announced by the House Judiciary Committee include the following:

1. Tax relief – Using the Internet should not create new or discriminatory taxes not faced in the offline world. Nor should any fresh precedent be created for other areas of interstate taxation by states.
2. Tech neutrality – Brick-and-mortar, exclusively online, and brick-and-click businesses should all be on equal footing. The sales tax compliance burden on online Internet sellers should not be less, but neither should it be greater than that on similarly situated offline businesses.
3. No regulation without representation – Those who would bear state taxation, regulation and compliance burdens should have direct recourse to protest unfair, unwise or discriminatory rates and enforcement.
4. Simplicity – Governments should not stifle businesses by shifting onerous compliance requirements onto them; laws should be so simple and compliance so inexpensive and reliable as to render a small business exemption unnecessary.
5. Tax competition – Governments should be encouraged to compete with one another to keep tax rates low and American businesses should not be disadvantaged vis-a-vis their foreign competitors.
6. States' rights – States should be sovereign within their physical boundaries. In addition, the federal government should not mandate that states impose any sales tax compliance burdens.
7. Privacy rights – Sensitive customer data must be protected.

About Overstock.com

[Overstock.com](http://www.overstock.com) (NASDAQ: OSTK) is an online discount retailer based in Salt Lake City, Utah that sells a broad range of products including furniture, rugs, bedding, electronics, clothing, jewelry and cars. [Overstock.com](http://www.overstock.com), a fair trade department dedicated to selling artisan-crafted products from around the world offers additional unique items. [Main Street Revival](http://www.overstock.com) supports small businesses across the United States by providing them a national customer base. The Nielsen State of the Media Consumer Usage Report placed Overstock.com among the top five most visited mass merchandiser websites in 2011. The NRF Foundation/American Express 2011 Customer Choice Awards ranked Overstock.com #4 in customer service among all U.S. retailers. Overstock.com sells internationally under the name O.co. Overstock.com <http://www.overstock.com> and <http://www.o.co> regularly posts information about the company and other related matters under www.overstock.com on its website.

Overstock.com, O.co, Worldstock Fair Trade® and Club O Reward® are registered trademarks of Overstock.com, Inc. O.info™, Club O™, Club O Dollars™ and Your Savings Engine™ are trademarks of Overstock.com, Inc. All other trademarks are the property of their respective owner.

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, statements regarding online tax legislation initiatives. Additional information regarding factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in the Company's Form 10-Q for the quarter ended June 30, 2013, which was filed with the SEC on July 25, 2013, and any subsequent filings with the SEC.

SOURCE: Overstock.com