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## Online sales tax worth the debate

It's not \$400 million, but it's more than enough to ante up a serious discussion in the upcoming Indiana General Assembly session.

A study released Tuesday by two respected Indiana research **bodies** found the state is losing an estimated \$77 million a year by not collecting sales taxes from online purchases.

The figure is dwarfed by the state's \$6.2 billion annual sales tax total, and by past estimates that Indiana loses up to \$400 million a year in sales taxes because of online commerce. At the same time, it does add solidity to objections raised by brick-and-mortar retailers over the advantage their Internet competitors enjoy.

Another finding, moreover, offers some ease to a fear on the other side. The analysis found no evidence that taxing online sales would hurt the state as a site for Internet retailers' warehouses, several of which have sprouted up here in recent years.

Fairness, additional revenue and no loss of business -- such an ideal outcome may be debatable, but the subject must be discussed. That was the modest recommendation from the Indiana Fiscal Policy Institute and Ball **StateUniversity's** Center for Business and Economic

Research. The legislature has no excuse not to take them up on it.

Meanwhile, the battle is being fought on other fronts.

Simon Property Group, the Indianapolis-based shopping mall giant, is suing Amazon in an effort to force it to collect sales taxes on online purchases, as some Internet retailers now voluntarily do.

A national group headed by Indiana state Sen. Luke Kenley, the Streamlined Sales Tax Governing Board, is pushing for a federal law that would uniformly tax retail buys, online and traditional. That would relieve states of the painful choice between losing Amazon's business and hurting homegrown enterprises -- though, again, the new study rebuts the **idea** that Indiana has to make such a choice in the first place.

In court or in Congress, the long-simmering feud between physical stores and cyber **shops** could find resolution. That won't be

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soon, however; and the possibility does not absolve Indiana lawmakers from taking on a basic fairness issue with substantial economic implications.

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