

NRF Urges ‘Super Committee’ to Focus on Economy and Jobs

WASHINGTON, August 11, 2011 – The National Retail Federation today welcomed the completion of appointments to a congressional “super committee” on deficit reduction, and urged lawmakers to focus on solutions that will boost the economy and create jobs.

“We look forward to working with this new panel as they seek ways to reduce government spending and develop meaningful tax reform,” NRF President and CEO Matthew Shay said. “The panel is an important opportunity to look at a range of policies and reset our national priorities so that we can put our nation’s economy back on track and put Americans back to work. For the nation’s retailers, this means a tax system that treats all players fairly instead of being riddled with special breaks, and it means looking at rules and regulations that kill jobs. As an industry that accounts for one in four U.S. jobs and a fifth of GDP, we are ready to do our part and don’t want to see job creation held back.”

Shay urged the committee to include three key initiatives among the options it considers:

- Corporate tax reform that would “broaden the base” by eliminating special tax breaks enjoyed by a handful of industries in return for lower corporate rates. The intensely competitive retail industry would pass most of the tax savings along to consumers in the form of lower prices, thereby increasing demand for products and increasing employment not only in the retail industry but among the industries that supply merchandise and services to retailers. Proposals for a Value Added Tax or other consumption tax should be rejected. An Ernst & Young study conducted for NRF last year found that adding a VAT to the current tax system in order to reduce the deficit would cause the loss of 850,000 jobs in the first year alone, reduce GDP for three years and reduce retail spending by \$2.5 trillion over the first 10 years.
- The Main Street Fairness Act, which would make it easier for states to require out-of-state Internet retailers to collect sales tax on sales to their residents. The legislation would end an unfair tax advantage held by online retailers over Main Street stores, which are struggling to keep their doors open and to continue providing employment in local communities across the country.
- Relief from the employer mandate provision of the 2010 health care reform law, which requires most employers to provide government-mandated levels of health care coverage for their workers beginning in 2014. With businesses unable to raise prices to cover the increased payroll costs in the current economy, the requirement will force many companies to reduce the size of their workforces.

As the world’s largest retail trade association and the voice of retail worldwide, NRF’s global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the United States and more than 45 countries abroad. In the United States, NRF represents an industry that includes more than 3.6 million establishments and which directly and indirectly accounts for 42 million jobs – one in four U.S. jobs. The total U.S. GDP impact of retail is \$2.5 trillion annually, and retail is a daily barometer of the health of the nation’s economy. www.nrf.com.

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