COMMITTEES: Communications, Financial Services & Interstate Commerce

Budgets and Revenue

Task Force on State and Local Taxation of Communications and Electronic Commerce

POLICY: National Conference of State Legislatures Supports and Urges Enactment of the Main Street Fairness Act

TYPE OF POLICY: Action

WHEREAS, the 1967 Bellas Hess and the 1992 Quill Supreme Court decisions denied states the authority to require the collection of sales and use taxes by out-of-state sellers that have no physical presence in the taxing state; and

WHEREAS, the combined weight of the inability to collect sales and use taxes due on remote sales through traditional carriers and the tax erosion from electronic commerce threatens the future viability of the sales tax as a stable revenue source for state and local governments; and

WHEREAS, the Streamlined Sales and Use Tax Agreement substantially simplifies state and local sales tax systems, removes burdens to interstate commerce, protects state sovereignty; and justifies overturning the Bellas Hess and Quill decisions; and

WHEREAS, a report from the Center for Business Research at the University of Tennessee has estimated that in fiscal year 2012, states will lose over $23 billion in uncollected sales tax revenues from out of state sales; and
WHEREAS, on October 1, 2005, as a result of at least 10 states representing at least 20 percent of the population having fully complied with the Agreement, the streamlined sales tax system became operational and effective; and

WHEREAS, as of July 1, 2010, twenty-four states have complied with the Streamlined Sales and Use Tax Agreement; and

WHEREAS, the Streamlined Sales and Use Tax Agreement includes over 1,200 volunteer sellers and now accounts for over $500 million in new revenues for states; and

NOW, THEREFORE BE IT RESOLVED THAT, the National Conference of State Legislatures supports the Main Street Fairness Act, that grants states that comply with the Agreement the authority to require all sellers, regardless of nexus, not meeting the small business exemption to collect those states' sales and use taxes; and

BE IT FURTHER RESOLVED THAT, NCSL calls upon the members of Congress to join as co-sponsors of the federal legislation that grants states collection authority and specifically requests that the members of the congressional delegations from Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming honor the decisions made by their state legislatures and governor by supporting and sponsoring this legislation; and

BE IT FURTHER RESOLVED THAT, the National Conference of State Legislatures calls upon the Congress to move swiftly to consider and approve the Main Street Fairness Act that grants states collection authority and provides $23
billion in fiscal relief to the states without a dime coming from the U.S. Treasury;

and

BE IT FURTHER RESOLVED THAT, the National Conference of State Legislatures urges the President to sign the Main Street Fairness Act that grants states collection authority into law, upon its passage by the Congress; and

BE IT FURTHER RESOLVED THAT, a copy of this resolution be sent to the President of the United States and to all the members of Congress.