WHEREAS, digital goods and services are online purchases that are downloaded directly by, or services that are provided electronically to, consumers that can transcend numerous state and local boundaries across the United States; and

WHEREAS, the exponential growth of digital commerce has demonstrated the importance of digital products to the American economy; and

WHEREAS, state policymakers recognize that the continued deployment of broadband infrastructure and adoption of broadband services is vital to economic growth and participation in the global economy; and

WHEREAS, digital goods and services are a major driver of the rapidly growing 21st Century digital economy and as such, fair and rational tax policies are needed that will not impede the continued growth of this segment of the economy; and

WHEREAS, as state and local governments continue to seek to modernize their tax base to include various forms of digital commerce, doing so without establishing a national framework could potentially subject consumers to multiple states claiming the right to tax the same transaction or subject such transactions to discriminatory taxation at rates higher than the rates imposed on the in-state sales of similar goods or services; and

WHEREAS, establishing a national framework would clearly identify which state and local jurisdiction can tax a digital transaction, providers required to collect taxes, and
allow state and local governments seeking to tax such goods and services to do so in a
fair, uniform and rational manner; and

WHEREAS, establishing a national framework as set forth in the Digital Goods and
Services Tax Fairness Act as introduced in the 114th Congress preserves state
sovereignty as the decision to tax digital commerce or not remains solely with the
states; and

WHEREAS, the Mobile Telecommunications Sourcing Act (P.L. 106-252) established
uniformity in sourcing mobile telecommunications services for state and local tax
purposes using similar concepts to those contained in the Digital Goods and Services
Tax Fairness Act as introduced in the 114th Congress; and

WHEREAS, NCSL has worked with other state and local organizations as well as
members of the Download Fairness Coalition to develop the principles contained in the
legislation and is poised to assist states as needed in complying with the federal
legislation; and

NOW, THEREFORE, BE IT RESOLVED, that the National Conference of State
Legislatures urges Congress to introduce and pass legislation that provides a
framework for the taxation of digital goods and services consistent with NCSL principles
to establish a national framework providing certainty and uniformity for state and local
governments in the taxation of digital goods and services, while protecting consumers
from multiple and discriminatory taxation and supporting the continued growth of the
digital economy.