

1 **COMMITTEES:** **Communications, Financial Services &**
2 **Interstate Commerce**
3 **Budgets and Revenue**
4 **Task Force on State and Local Taxation**
5 **POLICY:** **National Conference of State Legislatures**
6 **Supports and Urges Enactment of the**
7 **Marketplace Fairness Act**
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9 **TYPE OF POLICY:** **Resolution**

10 WHEREAS, the 1967 *Bellas Hess* and the 1992 *Quill* Supreme Court decisions
11 denied states the authority to require the collection of sales and use taxes by out-
12 of-state sellers that have no physical presence in the taxing state; and
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14 WHEREAS, the combined weight of the inability to collect sales and use taxes
15 due on remote sales through traditional carriers and the tax erosion from
16 electronic commerce threatens the future viability of the sales tax as a stable
17 revenue source for state and local governments; and
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19 WHEREAS, a report from the Center for Business Research at the University of
20 Tennessee estimated that in fiscal year 2013, states had over \$23 billion in
21 uncollected sales tax revenues from out of state sales; and
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23 WHEREAS, the Marketplace Fairness Act was introduced in both Houses of
24 Congress, which authorizes each member state under the Streamlined Sales and
25 Use Tax Agreement to require all sellers, not qualifying for a small-seller
26 exception, to collect and remit sales and use taxes with respect to remote sales;
27 and
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29 WHEREAS, the Marketplace Fairness Act also allows a state that is not a
30 member state under the Streamlined Sales and Use Tax Agreement to require

31 sellers to collect and remit sales and use taxes with respect to remote sales
32 sourced to such state if the state adopts and implements certain minimum
33 simplification requirements; and

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35 WHEREAS, the United States Senate passed the Marketplace Fairness Act on
36 May 6, 2012 by a vote of 69-27 and the President has indicated that he would
37 sign the legislation.

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39 NOW, THEREFORE BE IT RESOLVED THAT, The National Conference of State
40 Legislatures urges Congress to pass the Marketplace Fairness Act, or similar
41 legislation, authorizing remote sales tax collection to states that have complied
42 with the legislation; and

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44 BE IT FURTHER RESOLVED THAT, the National Conference of State
45 Legislatures opposes extending the Internet Tax Freedom Act before
46 consideration and passage of the Marketplace Fairness Act, or similar legislation;
47 and

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49 BE IT FURTHER RESOLVED THAT, the National Conference of State
50 Legislatures would oppose efforts by Congress to consider the Marketplace
51 Fairness Act as part of federal tax reform; and

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