

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 has estimated that in fiscal year 2012, states lost 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 allows a state that is not a member state under the Agreement to require
28 sellers to collect and remit sales and use taxes with respect to remote sales
29 sourced to such state if the state adopts and implements certain minimum
30 simplification requirements; and

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32 WHEREAS, the United States Senate passed the Marketplace Fairness Act on
33 May 6, 2012 by a vote of 69-27 and the President has indicated that he would
34 sign the legislation; and

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36 NOW, THEREFORE BE IT RESOLVED THAT, the National Conference of State
37 Legislatures (NCSL) appreciates the leadership of U. S. Senators Richard Durbin
38 (Ill.), Mike Enzi (Wyo.), Lamar Alexander (Tenn.) and Heidi Heitkamp (N.D.) in
39 achieving a strong bipartisan vote in support of the Marketplace Fairness Act in
40 the Senate; and

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42 BE IT FURTHER RESOLVED, THAT the National Conference of State
43 Legislatures urges the House of Representatives to pass the Marketplace
44 Fairness Act, sponsored in the House by Congressman Steve Womack (Ark.)
45 and Congresswoman Jackie Speier (CA.) or similar legislation authorizing remote
46 sales tax collection to states having complied with the legislation; and

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

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