

- 1 **COMMITTEES:** **Communications, Financial Services &**
- 2 **Interstate Commerce**

- 3 **Budgets and Revenue**

- 4 **Task Force on State and Local Taxation of**
- 5 **Communications and Electronic**
- 6 **Commerce**

- 7 **POLICY:** **National Conference of State Legislatures**
- 8 **Supports and Urges Enactment of the Main**
- 9 **Street Fairness Act**

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- 11 **TYPE OF POLICY:** **Action**

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

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

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

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26 WHEREAS, a report from the Center for Business Research at the University of
27 Tennessee has estimated that in fiscal year 2012, states will lose over \$23 billion
28 in uncollected sales tax revenues from out of state sales; and

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30 WHEREAS, on October 1, 2005, as a result of at least 10 states representing at
31 least 20 percent of the population having fully complied with the Agreement, the
32 streamlined sales tax system became operational and effective; and

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

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

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

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

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57 BE IT FURTHER RESOLVED THAT, the National Conference of State
58 Legislatures calls upon the Congress to move swiftly to consider and approve the
59 Main Street Fairness Act that grants states collection authority and provides \$23

60 billion in fiscal relief to the states without a dime coming from the U.S. Treasury;
61 and

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

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