



March 2, 2020

The Honorable Andy Kim  
Chairman, House Small Business Subcommittee on Economic Growth, Tax and Capital Access  
1516 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin Hern  
Ranking Member, House Small Business Subcommittee on Economic Growth, Tax and Capital Access  
1019 Longworth House Office Building  
Washington, DC 20515

Re: Letter to House Small Business Subcommittee on Economic Growth, Tax and Capital Access

Dear Chairman Kim and Ranking Member Hern:

On behalf of the National Conference of State Legislatures (NCSL), I write to oppose any legislation that would impose federal requirements for the collection of taxes from remote sellers. Federal legislation in this area would create costly bureaucracy and regulations, while undermining the diversity of state policy and overall fiscal federalism. Any act of Congress to preempt states from enforcing their own laws will create market distortion that will result in higher income and property taxes as the sales tax will no longer be a viable revenue source. A one-size-fits all approach would only stifle the ability of states to implement the tax schemes best suited for their economies. NCSL is disappointed that it was not invited to provide the state policy perspective on implementation of sales tax collection post-*Wayfair* before the subcommittee during the March 3 hearing and hopes that it will have the opportunity in future hearings on this subject.

NCSL led the effort to prepare states for the eventual conclusion reached in *Wayfair*—that states can collect sales taxes from remote sellers and the requirement of physical presence in the state set forth in *Quill v. North Dakota* was no longer good law. For the nearly two decades before the *Wayfair* decision, states have been working collaboratively to ensure that remote sales tax implementation is done properly should they be afforded the opportunity. This collaboration did not cease after the court's ruling. Shortly after the *Wayfair* decision, NCSL adopted its [Statement of Principles for State Sales Tax Collection and Administration](#) (also attached). These principles, which were shared with state leaders, have the goal of assisting state policymakers in preparing for enforcement of new or revised sales tax laws on remote sellers and marketplace facilitators, providing key implementation elements to streamline the collection process and promote efficiency, and ensuring that all processes are transparent to all parties.

NCSL, through its State and Local Taxation (SALT) Task Force—a bi-partisan forum comprised of state

**Robin Vos**  
Assembly Speaker  
Wisconsin  
President, NCSL

**Martha R. Wigton**  
Director  
House Budget & Research  
Office  
Georgia  
Staff Chair, NCSL

**Tim Storey**  
Executive Director

legislators that has analyzed state tax policy issues for 20 years—created the Marketplace Facilitator Working Group in 2019. This working group was comprised of a sub-set of SALT Task Force members, as well as public and private sector members who are experts in this complex issue, members of the Multistate Tax Commission, the Federation of Tax Administrators and the Streamlined Sales Tax Board. The group drafted and the NCSL Executive Committee approved state [model legislation](#) (also attached) that serves to further guide states in this process. This resource represents an exhaustive and inclusive year-long effort to help reduce the burden on states and businesses as they continue to fine-tune remote sales tax collection efforts.

NCSL as a bipartisan organization representing all 50-state legislatures and those of the territories is uniquely positioned to assist Congress in assessing the remote sales tax collection process and assuaging its concerns regarding the impact on the small business community. Working in concert with the business community, states have already demonstrated leadership and expertise in addressing the erosion of their tax bases and federal involvement would only stymie that progress. NCSL encourages all businesses—small, medium, and large—to communicate concerns to their state policymakers to assist their state in implementing sound tax policy. This collaboration will instill confidence and serve to build stronger relationships between state legislators and the business community.

We appreciate the Subcommittee’s thoughtful and transparent consideration of this issue and look forward to working with your offices to address your concerns. We respectfully request that this letter be submitted for the record for the 3 March 2020 hearing “South Dakota v. Wayfair, Inc.: Online Sales Taxes and their Impact on Main Street.” If you have any further questions regarding this issue, please feel free to contact Erlinda A. Doherty, Director of the Budgets & Revenue Committee, at 202.624.8698 or [erlinda.doherty@ncsl.org](mailto:erlinda.doherty@ncsl.org).

Sincerely,

A handwritten signature in blue ink that reads "Tim Storey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tim Storey  
Executive Director  
National Conference of State Legislatures