December 15, 2015

TO MEMBERS OF THE U.S. SENATE:

Dear Senator,

On behalf of the National Conference of State Legislatures (NCSL), we write to express our strong opposition of the inclusion of the Permanent Internet Tax Freedom Act (PITFA) in the conference report on H.R. 644. We ask for your support for any proposal that recognizes that PITFA is not germane to the underlying legislation and should therefore be removed from H.R. 644.

The initial Internet Tax Freedom Act was enacted in 1998 to temporarily prohibit states and localities from enacting new taxes on internet access and was intended to expire after three years. However, as it has been extended five times, this “temporary” moratorium has lasted 17 years. At the same time, congress has failed to enact legislation that would allow states to collect sales taxes they are owed from online purchases, which is costing them tens of billions of dollars annually. Therefore, we ask that before congress considers permanently extending this federal preemption and unfunded mandate, it first enact legislation to allow states to collect all of their consumption taxes and that would level the playing field between brick and mortar retailers and online businesses who are not collecting applicable taxes.

To be clear, NCSL does not support or oppose the taxation of internet access, rather we oppose unwarranted federal preemption of state sovereignty and we support state fiscal autonomy. All but one state is required to have a balanced budget and further constricting state budget authority without also providing states the ability to collect taxes they are already owed will force states to find alternative revenue sources to fund the important programs that they provide to our mutual constituents or will prevent efforts to lower or eliminate other taxes.

We urge that you support all efforts to remove this non-germane provision in H.R. 644 and we urge you not to consider extending the moratorium on the taxation of internet access until congress first enacts legislation to allow states to collect their consumption taxes on internet purchases and that levels the playing field for the brick and mortar stores in our communities.

Sincerely,

Senator Curt Bramble
President Pro Tem, Utah Senate
NCSL President

Senator Michael Gronstal
Majority Leader, Iowa Senate
NCSL President-elect

Senator Deb Peters
South Dakota Senate
NCSL Vice President