



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

Task Force on State and Local Taxation

History

In 1999, the NCSL Executive Committee established the Task Force on State and Local Taxation of Communications and Electronic Commerce to review and make recommendations to the states on the simplification of the administration and collection of sales and use taxes on out of state transactions, especially with the growth of such sales occurring as a result of electronic commerce as well as the reform of the monopoly era taxation of communications services. The task force's jurisdiction was expanded the first time in 2001 to review corporate income taxes, and now includes consideration of other multistate tax issues of interest to taxpayers. This evolution led to a formal change in the task force's name to the Task Force on State and Local Taxation in 2012 to make clear that its scope encompasses the entirety of state and local taxation.

Streamlined Sales Tax

From its inception, the task force made the streamlining of states' outdated sales and use tax systems a top priority. The task force was instrumental in the formation of the Streamlined Sales Tax Governing States in 2001, then the Implementing States, the Conforming States and now with the Governing Board. The task force continues to serve in an oversight capacity of the streamlined sales tax process and the Governing Board.

Mission

As our nation's economy continues to evolve from a primarily state based system into a more integrated national and global economy, state tax systems must adapt in a manner that does not impede economic growth, provides clarity and simplicity to taxpayers and ensures the necessary revenue for appropriate government functions. This task force addresses important and timely issues on tax policy in order to provide guidance to state legislators as they address the emerging taxation issues in the 21st century's economy.

The task force has endeavored to maintain state sovereignty while acknowledging the need for a tax system that can work across state lines. Our success has been due to our ability to regularly educate state legislators about these issues through meetings, seminars and technical assistance to legislatures. This task force plays an important role in helping state legislatures

understand the policy choices they face. By working in a bipartisan manner, the task force identifies the issues that legislatures will need to address – and provides guidance to the states by developing model principles for tax reform and modernization.

Below is a list of topics and resolutions that the Task Force has considered:

Topics

Communications Tax Reform
Internet Commerce Taxation
Franchise Fees on Communications Providers
Corporate Income Taxes
Business Activity Taxation
Uniform Division of Income for Tax Purposes Act
Excise Tobacco Taxation
Telecommuting
Taxation of Personal Income for Employee Work Related Travel
Direct Broadcast Satellite Taxation
E911 Fees
Affiliate Nexus
Taxation of Online Reservation Services
Combined Reporting
Contingent-Fee Based Auditing
Multistate Tax commission
Deal of the Day Vouchers
Cloud Computing
Automated Sales Suppression device (Tax Zappers)
Digital Goods and Services
Independent Tax Tribunals
Vendor Liability Risks: Qui Tam Actions and Class Action Law Suits
Taxation of Communications Infrastructure
Insurance Gross Premium Taxes
Sales Tax Fairness & Simplification Act
Mobile Workforce
The Internet Tax Non-Discrimination Act
VOIP Regulatory Freedom Act
Moratorium on Taxation of Internet Access
Mobile Telecommunications Sourcing Act

Resolutions

Support of a Federal VoIP Sourcing
Opposition to the Federal State Video Tax Fairness
Collection of E911 Fees on Wireless Prepaid Service at the Point-of-Sale
Point of Sales Model Legislation
Cloud Based Services Principles
Principles for the Taxation of Communication Services
Facilitating Business Rapid Response to State Declared Disasters Model Legislation
Contingency Fee Audit Resolution
Model Resolution in Support of the Main Street Fairness Act