



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

National Conference of State Legislatures Opposes Extension of the Internet Tax Freedom Act before Adoption of Remote Sales Tax Collection Authority

Committee on Budgets and Revenue

Committee on Communications, Financial Services, and Interstate Commerce

Executive Committee Task Force on State and Local Taxation

WHEREAS, since the adoption of the initial Internet Tax Freedom Act in 1998, the Internet has evolved far beyond an informational resource to a service that has changed nearly every aspect of the economy, including the way individuals communicate, work, shop, and are entertained; and

WHEREAS, the exponential adoption and rapid proliferation of internet services has dramatically increased the amount of internet commerce. According to figures from eMarketer, total US retail sales topped \$4.5 trillion in 2013 and will continue to grow; and

WHEREAS, the current moratorium on the taxation of Internet access expires on September 30; and;

WHEREAS, the U.S. House of Representatives passed by voice vote the Permanent Internet Tax Freedom Act (PITFA) in June; and

WHEREAS, Congress has yet to pass legislation that would allow states and localities to collect the sales and use taxes that they are owed from purchases made over the Internet, which is costing states an estimated loss of revenue of \$23 billion annually and growing; and

NOW, THEREFORE BE IT RESOLVED, that the National Conference of State Legislatures calls upon Congress to pass legislation that would allow states to collect sales taxes they are owed from remote purchases before, or in concert with, legislation that would extend or make permanent the moratorium on the taxation of internet access; and

BE IT FURTHER RESOLVED, that NCSL calls upon the U.S. Senate to delay consideration of the House passed legislation until such time that the legislation is joined with legislation that would allow states to require remote sellers to collect sales taxes owed on remote transactions; and

BE IT FURTHER RESOLVED, that the National Conference of State Legislatures will oppose efforts to extend the moratorium unless Congress first passes remote sales tax collection legislation or both proposals are joined; and

BE IT FURTHER RESOLVED, that NCSL will transmit copies of this resolution to all members of the 114th Congress.