

HM 1265

2015

1 House Memorial

2 A memorial to the Congress of the United States,
3 urging the Congress to support passage of legislation
4 similar to the Marketplace Fairness Act.

5
6 WHEREAS, since 1999, state legislators, governors, local
7 elected officials, state tax administrators, and representatives
8 of the private sector have worked to modernize tax collections,
9 promote e-fairness, and develop a Streamlined Sales and Use Tax
10 Collection System for the 21st Century, and

11 WHEREAS, the need for modernization is evidenced by the
12 exponential growth of total e-commerce sales by an estimated 300
13 percent from \$1 trillion in 1999 to \$4 trillion in 2012, and

14 WHEREAS, between 2001 and 2002, 35 states, including
15 Florida, enacted legislation expressing the intent of the state
16 to simplify its sales and use tax collection system and to
17 participate in multistate discussions to finalize and ratify an
18 interstate agreement to streamline the collection of state sales
19 and use taxes, and

20 WHEREAS, on November 12, 2002, these states unanimously
21 ratified the Streamlined Sales and Use Tax Agreement, which
22 substantially simplifies state and local sales tax systems,
23 removes the burdens to interstate commerce, and protects state
24 sovereignty, and

25 WHEREAS, the Streamlined Sales and Use Tax Agreement
26 provides the states with a blueprint to create a simplified

27 sales and use tax collection system, and

28 WHEREAS, computing capabilities have advanced significantly
 29 in recent years, thereby relieving some state merchants of the
 30 otherwise overwhelming burden of assessing the taxes owed to
 31 individual states and local jurisdictions, and

32 WHEREAS, the nationwide total revenue loss to the states,
 33 which is expected to rise while states lack the authority to
 34 require out-of-state sellers to collect sales and use taxes on
 35 remote sales, is estimated to have been as much as \$56.3 billion
 36 from 2007 to 2012, and

37 WHEREAS, this estimated revenue loss may have cost Florida
 38 several billions of dollars per year in lost tax revenue, with
 39 some estimates indicating losses to the state of as much as \$3.9
 40 billion from 2007 to 2012, and

41 WHEREAS, Florida could realize tax deductions in property
 42 tax and other tax schemes by fully implementing the Streamlined
 43 Sales and Use Tax Agreement, and

44 WHEREAS, local Florida retailers who make sales at their
 45 Florida stores experience a tax inequity under the de facto
 46 sales tax exemption for Internet and mail order sales because
 47 these traditional "brick and mortar" businesses on our "main
 48 streets" must apply and collect sales tax, while out-of-state
 49 sellers having no physical presence in this state do not, and

50 WHEREAS, there exists an unfair "digital divide" under
 51 which higher-income households are much more likely to have the
 52 resources to own a computer, have Internet access, and have a

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53 credit card to make de facto exempt, remote purchases, while
54 low-income consumers without the resources to shop online or by
55 mail, who are consigned to shopping in local stores, bear more
56 than their fair share of state sales tax collections, and

57 WHEREAS, thousands of businesses are forced to do business
58 at a competitive disadvantage because they have to collect taxes
59 that online sellers do not, which in some states can mean a 5 to
60 10 percent price advantage, and

61 WHEREAS, consumers are required under state laws to pay
62 sales and use taxes on the goods they purchase, but online
63 sellers simply are not required to collect the tax in the same
64 way that local businesses do, which more often than not puts
65 local businesses at a disadvantage and can lead to consumers
66 being audited and charged with penalties for failing to pay
67 sales and use taxes, and

68 WHEREAS, all too often states are unable to enforce this
69 tax collection requirement or unwilling to enforce such
70 requirement due to policy considerations concerning the privacy
71 of individuals, and

72 WHEREAS, small-volume sellers should be protected from any
73 new collection requirements and accorded an exemption if they
74 sell less than \$500,000 in online sales annually, and

75 WHEREAS, the United States Senate and the United States
76 House of Representatives should pass legislation allowing states
77 to enforce their existing sales and use tax laws and to treat
78 similar sales transactions equally, without regard to the manner

79 | in which the sale is transacted, and the right to collect or
 80 | decide not to collect taxes already owed under state law, and

81 | WHEREAS, Internet-based commerce continues to grow, and
 82 | states will be unable to collect billions in revenue unless the
 83 | United States Congress acts, NOW, THEREFORE,

84 |
 85 | Be It Resolved by the Legislature of the State of Florida:

86 |
 87 | That the United States Congress is urged to pass
 88 | legislation similar to the Marketplace Fairness Act that allows
 89 | each state to enforce its existing sales and use tax laws,
 90 | treating similar sales transactions equally without regard to
 91 | the manner in which the sales are transacted; permits each state
 92 | to collect or forfeit the collection of taxes already owed under
 93 | state law; and authorizes each state that ratifies the
 94 | Streamlined Sales and Use Tax Agreement to require out-of-state
 95 | sellers to collect and remit its sales and use tax.

96 | BE IT FURTHER RESOLVED that copies of this memorial be
 97 | dispatched to the President of the United States, to the
 98 | President of the United States Senate, to the Speaker of the
 99 | United States House of Representatives, and to each member of
 100 | the Florida delegation to the United States Congress.