ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 1999 ASSEMBLY JOINT RESOLUTION 104

March 14, 2000 – Offered by Representatives Stone and Suder.

1	Relating to: urging a study of whether electronic commerce should be taxed and the
2	extension of the federal moratorium on the taxation.
3	Whereas, America's current unprecedented economic expansion is being
4	driven, in large part, by the explosive growth of Internet companies and electronic
5	commerce; and
6	Whereas, the robust development of electronic commerce has attracted the
7	attention of government officials committed to establishing tax authority over
8	Internet transactions; and
9	Whereas, in 1998 Congress, in a move to protect the further development of this
10	emerging technology and marketplace, instituted a 3-year moratorium on state
11	taxation of charges for Internet access and discriminatory taxes on electronic
12	commerce; and
13	Whereas, electronic commerce is considered an engine for future economic
14	prosperity; and

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1	Whereas, electronic commerce provides entrepreneurs and small businesses
2	the ability to expand their markets and reach out to customers across the globe; and
3	Whereas, current tax policy could subject electronic commerce transactions to
4	multiple taxation from multiple jurisdictions; and
5	Whereas, the U.S. Supreme Court has consistently ruled that the U.S.
6	Constitution places strict limits on the ability of state and local governments to
7	require a seller to collect sales and use taxes on goods sold in the state unless the
8	seller has nexus in the state; and
9	Whereas, absent these constitutional limitations, the ability of entrepreneurs
10	and small businesses to compete in the global marketplace would be severely limited;
11	and
12	Whereas, significant amounts of electronic commerce transactions would be
13	exempt under traditional existing sales tax policy, such as transactions for services
14	or business-to-business transactions; and
15	Whereas, state and local governments are currently experiencing a period of
16	strong revenue growth and record budget surpluses; and
17	Whereas, businesses operating in the global electronic marketplace are
18	currently subject to a number of other state and local taxes; and
19	Whereas, independent studies have concluded that the current revenue loss to
20	state governments from the nontaxation of the Internet is less than one-half of 1%;
21	and
22	Whereas, the average working American family already faces the highest tax
23	burden in our nation's history, paying close to 40% of its income in local, state and
24	federal taxes; and

1	Whereas, the Internet Tax Freedom Act has laid the foundation for the
2	explosive and revolutionary growth of a vital sector of the economy; and
3	Whereas, the Internet Tax Freedom Act will expire in 2001; and
4	Whereas, Congress has empaneled the Advisory Commission on Electronic
5	Commerce to study all aspects of electronic commerce and the Internet; now,
6	therefore, be it
7	Resolved by the assembly, the senate concurring, That the Internet Tax
8	Freedom Act should be extended to allow a thorough examination of all aspects of
9	electronic commerce; and, be it further
10	<i>Resolved, That</i> the members of the senate and assembly support study by the
11	Advisory Commission on Electronic Commerce on the issues of tax and technological
12	neutrality among all forms of commerce; and, be it further
13	Resolved, That members of the senate and assembly support efforts geared
13 14	Resolved, That members of the senate and assembly support efforts geared toward tax simplification and comprehensive tax reduction wherever possible,
14	toward tax simplification and comprehensive tax reduction wherever possible,
14 15	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further
14 15 16	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on
14 15 16 17	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on electronic commerce and allow it to continue to grow in an unfettered environment;
14 15 16 17 18	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on electronic commerce and allow it to continue to grow in an unfettered environment; and, be it further
14 15 16 17 18 19	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on electronic commerce and allow it to continue to grow in an unfettered environment; and, be it further <i>Resolved, That</i> the assembly chief clerk shall provide a copy of this joint
14 15 16 17 18 19 20	toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on electronic commerce and allow it to continue to grow in an unfettered environment; and, be it further <i>Resolved, That</i> the assembly chief clerk shall provide a copy of this joint resolution to the president and secretary of the U.S. senate, to the speaker and clerk
14 15 16 17 18 19 20 21	 toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further <i>Resolved, That</i> all state governments refrain from imposing new taxes on electronic commerce and allow it to continue to grow in an unfettered environment; and, be it further <i>Resolved, That</i> the assembly chief clerk shall provide a copy of this joint resolution to the president and secretary of the U.S. senate, to the speaker and clerk of the U.S. house of representatives, to each member of the congressional delegation

(END)

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