

**1999 DRAFTING REQUEST**

**Assembly Substitute Amendment (ASA-AJR104)**

Received: 03/14/2000

Received By: dykmapj

Wanted: Today

Identical to LRB:

For: Jeff Stone (608) 266-8590

By/Representing: Prentice and Ourada

This file may be shown to any legislator: NO

Drafter: dykmapj

May Contact:

Alt. Drafters:

Subject: Memorials - Congress to  
Tax - miscellaneous

Extra Copies:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Changes by DOR

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	dykmapj 03/14/2000	wjackson 03/14/2000	jfrantze 03/14/2000	_____	lrb_docadmin 03/14/2000	lrb_docadmin 03/14/2000	

FE Sent For:

<END>

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1?	dykmapj	1 wlj 3/14	7/03/14	To / cfe 3/14			

FE Sent For:

<END>

**Dykman, Peter**

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**From:** Prentiss, Mike  
**Sent:** Tuesday, March 14, 2000 8:19 AM  
**To:** Dykman, Peter  
**Subject:** AJR 104

Peter,

I just wanted to let you know that Tom Ourada from the Dept. of Revenue will be calling you this morning to have some changes drafted for AJR 104.

If you have any questions, please give me a call at 266-8590.

Thanks,

Mike Prentiss  
Office of Rep. Jeff Stone

**Dykman, Peter**

**From:** Ourada, Thomas D  
**Sent:** Tuesday, March 14, 2000 9:14 AM  
**To:** Dykman, Peter  
**Subject:** Revisions to AJR 104

*This is in  
electronic folder for 50409/1*

Thanks for your help with this Peter.

~~Page 1 line 10 delete "Internet taxation" and substitute: "state taxation of charges for Internet access and discriminatory taxes on electronic commerce"~~ <sup>Not</sup>

*1-10*

~~Page 1 lines 12-14 delete~~

~~Page 2 lines 1-4 delete~~

~~Page 2 line 13 delete "impose tax burdens on interstate commerce" and substitute: "require a seller to collect sales and use taxes on goods sold into the state unless the seller has nexus in the state"~~ <sup>Not</sup>

*2-13*

~~Page 2 lines 14-16 delete~~

~~Page 2 line 20 delete "the vast majority" and substitute "significant amounts"~~

~~Page 3 line 9 delete "current federal moratorium on Internet taxation" and substitute: Internet Tax Freedom Act"~~

~~Page 3 line 12 delete "current federal moratorium on Internet taxation" and substitute: "Internet Tax Freedom Act"~~

~~Page 3 line 17-18 delete "current federal moratorium on Internet taxation" and substitute: "Internet Tax Freedom Act"~~

~~Page 3 line 20 delete "believe" and substitute "support study by"~~

~~Page 3 line 21-22 delete "should examine...tax the Internet" and substitute: "on the issues of tax and technological neutrality among all forms of commerce"~~ <sup>Not</sup>

*3-21*

~~Page 3 line 23-24 delete "believe that...limitations" and substitute "support efforts geared toward tax simplification and comprehensive tax reduction wherever possible, including the extension of the Internet Tax Freedom Act; and be it further"~~ <sup>Not</sup>

*3-23*

~~Page 4 lines 1-2 delete~~

~~Page 4 line 3 delete "taxing" and substitute "imposing new taxes on"~~

Thank you Peter. Please call me with any questions. Tom Ourada  
266-6466



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBs0409/1  
PJD.../...  
Wlj

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY JOINT RESOLUTION 104

WFO:  
Inserts are  
on the attached  
e-mail.

X Fred

50409/1 identical to  
- 4440/1  
AJR 104  
10:30 AM

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 ~~Internet~~  
11 ~~taxation~~ and

12 ~~Whereas, as the moratorium draws to a close, state and local officials continue~~  
13 ~~to push for taxation authority on the grounds that federal restriction constitutes a~~  
14 ~~violation of states' rights; and~~

1-10

1       Whereas, arguments for taxing electronic commerce ignore legal precedents  
 2       based firmly in the U.S. Constitution and, according to rulings by the U.S. Supreme  
 3       Court, attempts to impose state and local taxes on out-of-state Internet companies  
 4       may represent a violation of the Commerce Clause; and

5       Whereas, electronic commerce is considered an engine for future economic  
 6       prosperity; and

7       Whereas, electronic commerce provides entrepreneurs and small businesses  
 8       the ability to expand their markets and reach out to customers across the globe; and

9       Whereas, current tax policy could subject electronic commerce transactions to  
 10      multiple taxation from multiple jurisdictions; and

11      Whereas, the U.S. Supreme Court has consistently ruled that the U.S.  
 12      Constitution places strict limits on the ability of state and local governments to  
 13      impose tax burdens on interstate commerce; and

2-13<sup>v</sup>

14      Whereas, efforts by state and local governments to apply existing tax policy to  
 15      electronic commerce would violate constitutional limits on their taxing authority;  
 16      and

17      Whereas, absent these constitutional limitations, the ability of entrepreneurs  
 18      and small businesses to compete in the global marketplace would be severely limited;  
 19      and

20      Whereas, the vast majority of electronic commerce transactions would be  
 21      exempt under traditional existing sales tax policy, such as transactions for services  
 22      or business-to-business transactions; and

sign. ficant amounts

23      Whereas, state and local governments are currently experiencing a period of  
 24      strong revenue growth and record budget surpluses; and

1 ~~placed on state and local governments' taxing authority, the federal moratorium on~~  
2 ~~Internet taxation should be extended indefinitely; and, be it further~~

3 **Resolved, That** all state governments refrain from taxing electronic commerce  
4 and allow it to continue to grow in an unfettered environment; and, be it further

5 **Resolved, That** the assembly chief clerk shall provide a copy of this joint  
6 resolution to the president and secretary of the U.S. senate, to the speaker and clerk  
7 of the U.S. house of representatives, to each member of the congressional delegation  
8 from this state, to the chief clerk of each state legislative body in this country and to  
9 governor of each state attesting the adoption of this joint resolution by the 1999  
10 legislature of the state of Wisconsin.

11 (END)

imposing  
new taxes  
on