February 4, 2008 – Introduced by Senators JAUCH, LEHMAN, PLALE, ERPENBACH, SCHULTZ, MILLER and ROBSON. Referred to Committee on Tax Fairness and Family Prosperity.

Relating to: urging Congress and the President to enact the Sales Tax Fairness and Simplification Act.

Whereas, as a result of the 1967 Bellas Hess U.S. Supreme Court decision and the 1992 Quill U.S. Supreme Court decision, Wisconsin and other states have been denied the authority to require the collection of sales and use taxes by remote sellers that have no physical presence in the state to which the item is delivered; and

Whereas, the combined weight of the inability to collect sales and use taxes due on remote sales through traditional carriers and the continued erosion of the tax base due to electronic commerce threatens the future viability of the sales and use tax as a stable revenue source for state and local governments; and

Whereas, studies have estimated that Wisconsin will lose in excess of $150 million a year in sales and use taxes due on sales made by remote sellers to Wisconsin purchasers; and

Whereas, Wisconsin joined 33 other states to enact legislation expressing the intent of the state to simplify and modernize the state’s sales and use tax collection
systems and to participate in multistate discussions to finalize and ratify an
interstate agreement to streamline the administration and collection of the states’
sales and use taxes; and

Whereas, these states unanimously ratified the Streamlined Sales and Use Tax
Agreement (Agreement), which substantially simplifies and modernizes state and
local sales and use tax systems, removes the burdens to interstate commerce that
were of concern to the U.S. Supreme Court, and protects state sovereignty; and

Whereas, 22 states representing over 35 percent of the total population of the
United States have already enacted legislation to bring their state’s sales and use tax
statutes into compliance with the Agreement; and

Whereas, nearly 1,100 remote sellers have already voluntarily registered and
are participating in the simplification effort in the states that have conformed their
laws to the requirements of the Agreement; and

Whereas, Wisconsin state law already requires the payment of sales or use tax
on purchases made from on-line, catalog, and other remote sellers but does not have
an effective method of collecting this tax from the individual consumers; and

Whereas, as a result of not having an effective method of collection of these
taxes from individual consumers, Wisconsin is losing millions of dollars each year;
and

Whereas, main-street merchants and businesses who already collect and remit
sales and use tax to the state of Wisconsin are placed at a significant competitive
disadvantage by on-line, catalog, and other remote sellers who are not required to
collect and remit the tax; and
Whereas, the burden of remitting the sales and use tax on purchases from on-line, catalog, and other remote sellers who are not required to collect the tax is then placed on the individual consumers; and

Whereas, most individual consumers do not know of the requirement or simply fail to remit this tax, thereby unknowingly subjecting themselves to possible interest and penalties if the sales or use tax is not paid in a timely manner; and

Whereas, the Main Street Equity Act to simplify and modernize the Wisconsin sales and use tax statutes would add Wisconsin to the list of over 20 other states who are already complying with the Agreement; and

Whereas, the Main Street Equity Act was included in the 2007–09 biennial budget by Governor Doyle and was approved in the Wisconsin state senate; and

Whereas, the Wisconsin legislation acknowledges the complexities of the current sales and use tax collection system, and is responsive to the interests of the business community and protecting individual consumers by formulating a truly simplified and streamlined collection system; and

Whereas, the Main Street Equity Act has the support of a broad coalition of Wisconsin and multistate merchants, trade associations, and businesses, large and small, including department stores, hardware stores, jewelers, book sellers, grocers, convenience stores, and telecommunication companies who desire a more simplified and modernized sales and use tax system that is uniform and fair for all Wisconsin residents and businesses; and

Whereas, H.R. 3396, the Sales Tax Fairness and Simplification Act has been offered in the U.S. House of Representatives; and

Whereas, the legislation would sanction the multistate agreement and require sellers to collect sales and use taxes for all states that conform to the terms of the
agreement, thereby leveling the playing field for all retailers and ensuring the future
vitality of a major consumption tax; and

Whereas, Wisconsin’s Main Street Equity Act and the Streamlined Sales and
Use Tax Agreement demonstrates state government’s ability to modernize and
simplify our sales tax system to conform to the 21st century, while reducing the
burden on retailers; and

Whereas, the U.S. House Subcommittee on Administrative and Commercial
Law of the Judiciary Committee held a public hearing on December 6, 2007; and

Whereas, Congress must adopt legislation to provide the authority for
Wisconsin and any other state that conforms its laws to the requirements of the
Streamlined Sales and Use Tax Agreement and becomes a full member state to be
permitted to require remote sellers to collect and remit sales and use taxes for their
state; now, therefore, be it

Resolved by the senate, That the Wisconsin state senate calls upon the U.S.
Judiciary Committee and the U.S. House of Representatives to support swift
adoption of the Sales Tax Fairness and Simplification Act; and, be it further

Resolved, That the Wisconsin senate encourages members of the U.S. Senate
to expeditiously consider and pass the Sales Tax Fairness and Simplification Act;
and, be it further

Resolved, That the Wisconsin state senate urges President George W. Bush
to sign the Sales Tax Fairness and Simplification Act into law, upon its passage by
the Congress; and, be it further

Resolved, That the senate chief clerk shall provide copies of this resolution to
the President and members of Wisconsin’s congressional delegation.

(END)