

HM 1207

2016

## 1 House Memorial

2 A memorial to the Congress of the United States,  
3 urging 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

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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  
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

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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.