WHEREAS, the continuing growth of interstate sales by mail order, electronic commerce and other direct marketing methods results in a competitive disadvantage for local business and results in a state and local revenue loss estimated at billions of dollars annually, and

WHEREAS, electronic commerce conducted via the Internet and other on-line services is growing dramatically, exacerbating the problem already exhibited by traditional mail order and other types of direct marketing and

WHEREAS, the U.S. Supreme Court held in Quill Corp v. North Dakota, 112 S.Ct. 1904 (1992) that physical presence is not required to establish state jurisdiction under the Commerce Clause, but that "substantial nexus" is required under the Commerce Clause to require an interstate seller to collect tax, and

WHEREAS, the Court further held that Congress may authorize states to require interstate sellers to collect appropriate sales and use taxes, and

WHEREAS, there is a clear need for the use of modern technology to alleviate complexities in sales tax compliance and administration of state and local sales and use and other consumption tax administration and greater simplification and coordination among states in the administration of state and local sales and use and other consumption taxes to minimize compliance burdens on interstate commerce, and

WHEREAS, states have undertaken a number of efforts to achieve this simplification and uniformity, including the National Tax Association Communications and Electronic Commerce Tax Project, the Multistate Tax Commission Sales Tax Simplification Project, and

WHEREAS, the Internet Tax Freedom Act created an Advisory Commission on Electronic Commerce (ACEC), which is charged with the duty to conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable intrastate, interstate or international sales activities, now, therefore be it

RESOLVED, that the Multistate Tax Commission affirms its support of efforts to develop a modernized sales and use tax that is characterized by, among other things, substantially simpler and more coordinated administrative procedures and requirements, the use of modern technology to ease compliance costs and burdens for both the public and private sectors, and an expansion of the duty to collect tax to some reasonable categories of interstate sellers that do not have substantial nexus in the states into which they sell, and be it further
RESOLVED, that the Multistate Tax Commission pledges to work with state tax administrators and other relevant groups involved in efforts toward the aforementioned purposes, and be it finally
RESOLVED, that the Multistate Tax Commission encourages states, industry representatives and other involved parties to participate in efforts to streamline and improve the administration of state and local consumption taxes, with the goal of reducing the tax compliance burden on taxpayers to as close to zero as possible, through the maximum use of modern technology.

Adopted the 30th day of July 1999, by the Multistate Tax Commission.

Attest: ___________________

Dan R. Bucks
Executive Director