Resolution 99-9
The Advisory Commission on Electronic Commerce

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, and

WHEREAS, the ACEC is further charged with the duty to conduct an examination of the collection and administration of consumption taxes on electronic commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not, and

WHEREAS, the ACEC consists of 19 members, 8 of which are representatives of state and local governments, and

WHEREAS, the ACEC is to submit its recommendations to Congress no later than April 21, 2000, and

WHEREAS, the sovereign power of the states to design and administer their own systems of state taxation is a core component of American federalism, and

WHEREAS, consumption taxes, including sales and use, excise and gross receipts taxes, constitute an integral element of most state tax systems, and

WHEREAS, Main Street business currently operates at a competitive disadvantage in relation to Internet business, due to the fact that Main Street business cannot avoid the obligation to collect state consumption taxes, and

WHEREAS, Internet business is experiencing an explosive growth rate that is likely to increase exponentially into the 21st century, now therefore be it

RESOLVED, that the Multistate Tax Commission respectfully advises the ACEC that the States want to work in cooperation with it as the ACEC conducts the vitally important task of preparing recommendations that may significantly affect the composition of the state tax system for the 21st century, and

BE IT FINALLY RESOLVED, that the Multistate Tax Commission respectfully urges the ACEC to formulate recommendations that will encourage the development of state tax systems based on simplified registration and filing requirements, reduced compliance burdens on
taxpayers, and non-discriminatory, uniform taxation such that all similarly situated businesses and consumers compete on a level playing field and play by the same rules.

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

Attest: ___________________

Dan R. Bucks
Executive Director