



MULTISTATE TAX COMMISSION

*Working together since 1967 to preserve federalism and tax fairness*

To:	Members of the Commission
From:	Joe Huddleston, Executive Director
Date:	July 30, 2009
Subject:	2009 Statement of Application to Legislative Activity of the 111 <sup>th</sup> Congress

The Commission has interpreted the application of Policy Statements 2002-02, 2003-01 and Policy Resolution 2001-09 to specific proposed federal legislation introduced in the 111<sup>th</sup> Congress as follows:

**Statement of Application of Policy Statement 2003-01 and Policy Resolution 2001-09 to Specific Federal Legislative Measures**

The Commission opposes H.R. 1521, the Cell Phone Tax Fairness Act of 2009, as an unwarranted intrusion on state taxing authority by preempting legitimate, nondiscriminatory state practices in property, sales and excise taxation of the wireless telecommunications industry.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 and 2002-02 to Specific Federal Legislative Measures**

The Commission opposes H.R. 2110, Mobile Workforce State Income Tax and Simplification Act, especially those provisions that are an unwarranted intrusion into the authority of states to determine which individuals are subject to income tax and undermine the principles of economic presence, which have been upheld by numerous courts.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 and 2002-02 to Specific Federal Legislative Measures**

The Commission opposes H.R. 2600, Telecommuter Tax Fairness Act of 2009, especially those provisions that are an unwarranted intrusion into the authority of states to determine which individuals are subject to income tax and undermine the principles of economic presence, which have been upheld by numerous courts.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 to Specific Federal Legislative Measures**

The Commission opposes H.R. 1019, the State Video Tax Fairness Act of 2009 as an unwarranted intrusion upon state taxing authority which benefits one provider of multichannel video services at the expense of all other providers.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 to Specific Federal Legislative Measures**

The Commission opposes S. 43 and H.R. 1560, Permanent Internet Tax Freedom Act of 2009 insofar as these bills are an unwarranted preemption of state authority. S. 43 and H.R. 1560 make permanent the current moratorium on state and local taxes on Internet access, and further repeals the “grandfather clauses” protecting certain pre-existing taxes. The Multistate Tax Commission respectfully urges Congress to honor its commitment to the States and revisit the issue at the expiration of the current moratorium in 2014.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 and Policy Statement 2002-02 to Specific Federal Legislative Measures**

The Commission opposes H.R. 1083, the Business Activity Tax Simplification Act of 2009 as an unwarranted preemption of the states’ authority to levy tax on the business activities of multistate enterprises, and encourages the creation and use of tax shelters to unfairly shift income away from the jurisdiction where that income is earned, thereby undermining a state’s ability to provide government services not only to the general citizenry, but also to the enterprise doing business within the state.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 to Specific Federal Legislative Measures**

The Commission supports H.R. 2303, State Tax Administration Act of 2009 as an example of cooperative federalism between states and the federal government to improve nonresident taxpayer compliance by expanding federal Tax Offset Program to allow participating states to collect unpaid state income taxes from residents and nonresidents alike.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.

**Statement of Application of Policy Statement 2003-01 to Specific Federal Legislative Measures**

The Commission supports H.R. 1956, the Crime Victim Restitution and Court Intercept Fee Act as an example of cooperative federalism between states and the federal government to improve taxpayer compliance by offsetting federal income tax refunds against state judicial debts, including past due income tax refunds.

This Statement of Application will expire at the close of session of the 111<sup>th</sup> Congress.