



MULTISTATE TAX COMMISSION

To:	Members of the Commission
From:	Joe Huddleston, Executive Director
Date:	August 1, 2012
Subject:	2012 Statement of Application to Legislative Activity of the 112 th 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 112th Congress as follows:

Wireless Tax Fairness Act (H.R. 1002)

The Commission, in accordance with Policy Statements 2003-01 and 03-2011, opposes the Wireless Tax Fairness Act of 2011 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 112th Congress.

Mobile Workforce State Income Tax and Simplification Act of 2011 (H.R. 1864)

The Commission, in accordance with Policy Statements 2003-01 and 2002-02, opposes the Mobile Workforce State Income Tax and Simplification Act of 2011, especially those provisions that are an unwarranted intrusion into the authority of states to determine which individuals are subject to income tax and that 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 112th Congress.

Telecommuter Tax Fairness Act (S. 1811)

The Commission, in accordance with Policy Statements 2003-01 and 2002-02, opposes the Telecommuter Tax Fairness Act of 2011, especially those provisions that are an unwarranted intrusion into the authority of states to determine which individuals are

subject to income tax and that 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 112th Congress.

State Video Tax Fairness Act of 2011 (H.R. 1804)

The Commission, in accordance with Policy Statement 2003-01, opposes the State Video Tax Fairness Act of 2011 as an unwarranted intrusion upon state taxing authority and which is significantly overbroad, vague and confusing.

This Statement of Application will expire at the close of session of the 112th Congress.

H.R. 2469, End Discriminatory State Taxes for Automobile Renters Act of 2011

The Commission, in accordance with Policy Statements 2003-01 and 03-2011, opposes the End Discriminatory State Taxes for Automobile Renters Act of 2011 as an unwarranted intrusion on state taxing authority by preempting legitimate, nondiscriminatory state practices in property, sales and excise taxation of the automobile rental industry.

This Statement of Application will expire at the close of session of the 112th Congress.

Permanent Internet Tax Freedom Act of 2011 (S. 135)

The Commission, in accordance with Policy Statement 2003-01, opposes the Permanent Internet Tax Freedom Act of 2011 insofar as this bill is an unwarranted preemption of state authority. The Act makes 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 112th Congress.

Business Activity Tax Simplification Act of 2011 (H.R. 1864)

The Commission, in accordance with Policy Statements 2003-01 and 2002-02, opposes the Business Activity Tax Simplification Act of 2011 as an unwarranted preemption of the states’ jurisdiction to tax 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. The Congressional Budget Office concluded in 2006 that a

similar bill, H.R. 1956, was the single largest state unfunded mandate ever estimated by that office.

This Statement of Application will expire at the close of session of the 112th Congress.

Crime Victim Restitution and Court Intercept Fee Act (S. 755, H.R. 1416)

The Commission, in accordance with Policy Statement 2003-01, supports 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 112th Congress.

Main Street Fairness Act, (S. 1452, H.R. 2701)

The Commission, in accordance with Policy Statement 2002-01 urges states that have not adopted the Streamlined Sales Tax Agreement to consider doing so. The Commission supports state efforts to pursue through negotiation, state legislation and enforcement, the courts and federal legislation, provisions that would require large, out-of-state sellers to collect state sales and use taxes from their customers.

This Statement of Application will expire at the close of session of the 112th Congress.

Marketplace Equity Act (H.R. 3179)

The Commission, in accordance with Policy Statement 2002-01 urges states that have not adopted the Streamlined Sales Tax Agreement to consider doing so. The Commission supports state efforts to pursue through negotiation, state legislation and enforcement, the courts and federal legislation, provisions that would require large, out-of-state sellers to collect state sales and use taxes from their customers.

This Statement of Application will expire at the close of session of the 112th Congress.

Marketplace Fairness Act (S. 1832)

The Commission, in accordance with Policy Statement 2002-01 urges states that have not adopted the Streamlined Sales Tax Agreement to consider doing so. The Commission supports state efforts to pursue through negotiation, state legislation and enforcement, the courts and federal legislation, provisions that would require large, out-of-state sellers to collect state sales and use taxes from their customers.

This Statement of Application will expire at the close of session of the 112th Congress.

Digital Goods and Services Tax Fairness Act, (S. 971 and H.R. 1860)

The Commission, in accordance with Policy Statement 2003-01, opposes the Digital Goods and Services Tax Fairness Act as an unwarranted intrusion on state taxing authority by preempting legitimate, nondiscriminatory state tax practices in the taxation of digital goods and services.

This Statement of Application will expire at the close of session of the 112th Congress.

Natural Gas Pipeline Property (H.R. 4827)

The Commission, in accordance with Policy Statements 2003-01 and 03-2011, opposes the Natural Gas Pipeline Property bill to prevent certain discriminatory taxation of pipeline property as an unwarranted intrusion on state taxing authority by preempting legitimate, nondiscriminatory state practices in property taxation of the pipeline industry.

This Statement of Application will expire at the close of session of the 112th Congress.

Prohibition of State Taxation of Certain Travel Services (S. 1934)

The Commission, in accordance with Policy Statement 2003-01, opposes the Prohibition of State Taxation of Certain Travel Services as an unwarranted intrusion on state taxing legitimate, nondiscriminatory states tax practices of, and the grant of preferential treatment to, a particular segment of the travel industry.

Permanent Moratorium on Internet Access Taxes and Multiple and Discriminatory Taxes on Electronic Commerce (S. 1934).

The Commission, in accordance with Policy Statement 2003-01, opposes the Permanent Moratorium on Internet Access Taxes and Multiple and Discriminatory Taxes on Electronic Commerce insofar as this bill is an unwarranted preemption of state authority. The Act makes 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.

Supporting the Preservation of Internet Entrepreneurs and Small Business (S. 309 H.R. 95)

The Commission, in accordance with Policy Statement 2002-01, supports exempting small remote sellers whose contacts are limited to making sales by mail order or electronic means and whose sales fall below a certain threshold level from an expanded duty to collect sales taxes in the interest of reducing burdens on these sellers.

