

Multistate Tax Commission



Resolution No. 98-5

Retail Electric Energy Industry Deregulation

WHEREAS, the retail electric energy industry has historically been a highly regulated monopoly by the Federal and State governments, and

WHEREAS, it is believed that opening the retail electric energy market to competition will foster economic development in the United States, and

WHEREAS, Congress has considered legislation to deregulate the retail electric energy industry to require open competition by the first decade of the 21st century, and

WHEREAS, many States in recent years have taken steps to deregulate the retail electric energy industry and open the sector to competition, and

WHEREAS, proposed federal deregulation legislation carries the potential to preempt measures that appropriately deal with State and local transaction taxes on interstate sales of electric energy to consumers, and

WHEREAS, some, but not all, versions of the proposed deregulation legislation specifically protect State and local taxing authority from federal preemption;

NOW, THEREFORE, BE IT RESOLVED that Multistate Tax Commission urge Congress to carefully consider the preservation of State and local taxing authority in any legislation intended to deregulate the retail electric energy industry, and be it further

RESOLVED that the Multistate Tax Commission work with members of Congress, other State and local organizations and the electric energy industry to craft federal deregulation policies that preserve State and local tax authority.

This Resolution expires on August 7, 2003.

Adopted this 7th day of August 1998, by the Multistate Tax Commission.

W. Val Oveson
Chair

Dan R. Bucks
Executive Director