

1 **Resolution 99-9**

2 **The Advisory Commission on Electronic Commerce**

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4 **WHEREAS**, the Internet Tax Freedom Act created an Advisory Commission on Electronic
5 Commerce (ACEC), which is charged with the duty to conduct a thorough study of Federal,
6 State and local, and international taxation and tariff treatment of transactions using the Internet
7 and Internet access and other comparable intrastate, interstate or international sales activities, and
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9 **WHEREAS**, the ACEC is further charged with the duty to conduct an examination of the
10 collection and administration of consumption taxes on electronic commerce in other countries
11 and the United States, and the impact of such collection on the global economy, including an
12 examination of the relationship between the collection and administration of such taxes when the
13 transaction uses the Internet and when it does not, and
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15 **WHEREAS**, the ACEC consists of 19 members, 8 of which are representatives of state and local
16 governments, and
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18 **WHEREAS**, the ACEC is to submit its recommendations to Congress no later than April 21,
19 2000, and
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21 **WHEREAS**, the sovereign power of the states to design and administer their own systems of
22 state taxation is a core component of American federalism, and
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24 **WHEREAS**, consumption taxes, including sales and use, excise and gross receipts taxes,
25 constitute an integral element of most state tax systems, and
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27 **WHEREAS**, Main Street business currently operates at a competitive disadvantage in relation to
28 Internet business, due to the fact that Main Street business cannot avoid the obligation to collect
29 state consumption taxes, and
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31 **WHEREAS**, Internet business is experiencing an explosive growth rate that is likely to increase
32 exponentially into the 21st century, now therefore be it
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34 **RESOLVED**, that the Multistate Tax Commission respectfully advises the ACEC that the States
35 want to work in cooperation with it as the ACEC conducts the vitally important task of preparing
36 recommendations that may significantly affect the composition of the state tax system for the 21st
37 century, and
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39 **BE IT FINALLY RESOLVED**, that the Multistate Tax Commission respectfully urges the
40 ACEC to formulate recommendations that will encourage the development of state tax systems
41 based on simplified registration and filing requirements, reduced compliance burdens on

42 taxpayers, and non-discriminatory, uniform taxation such that all similarly situated businesses
43 and consumers compete on a level playing field and play by the same rules.

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

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Attest: _____

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Dan R. Bucks

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Executive Director

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