

House Concurrent Resolution No. 5013

By Committee on Taxation

3-29

1 A CONCURRENT RESOLUTION urging Congress to take action to
2 regulate interstate commerce and allow states to collect sales tax
3 directly from remote retailers.

4
5 WHEREAS, Small businesses have been hurt in recent years by online
6 and catalog purchases by customers who believe they get a discount by
7 not paying sales tax; and

8 WHEREAS, The brick-and-mortar retailers collect the sales tax at the
9 time of purchase in a store, but the responsibility for paying the tax from
10 an online purchase shifts to the internet customer who should pay the
11 sales tax when filing annual state tax returns; and

12 WHEREAS, The present system is ineffective and has serious
13 enforcement problems. State tax administrators have no way of assessing
14 or collecting use taxes on many internet purchases. As a result, the
15 integrity of the states' tax bases are being undermined, and severe damage
16 is being done to the perceived equity of the tax system; and

17 WHEREAS, The Supreme Court's decision in *Quill Corp. v. North*
18 *Dakota*, 504 U.S. 298 (1992), left state and local governments unable to
19 adequately enforce their existing sales tax laws on sales by out-of-state
20 catalog and online sellers; and

21 WHEREAS, The inability to collect sales and use taxes due on remote
22 sales threatens the future viability of the sales tax as a stable revenue
23 source for state and local governments; and

24 WHEREAS, Keeping track of local tax rates is no longer an
25 insurmountable technical, administrative, or financial burden; and

26 WHEREAS, In the *Quill* decision, the Supreme Court did state that
27 Congress had the constitutional authority to pass legislation overruling its
28 decision; and

29 WHEREAS, If Congress acts to regulate interstate commerce, state
30 and local governments could collect taxes owed on internet and mail
31 order sales: Now, therefore,

32 *Be it resolved by the House of Representatives of the State of Kansas,*
33 *the Senate concurring therein:* That the Kansas Legislature does hereby
34 urge the United States Congress to take action to regulate interstate
35 commerce by allowing individual states the authority to collect sales tax
36 directly from remote retailers; and

Be it further resolved: That the Secretary of State shall send an enrolled copy of this resolution to each member of the Kansas congressional delegation and to the President of the United States.