

SENATE CONCURRENT RESOLUTION NO. 35—
SENATOR COFFIN

MAY 11, 2009

Referred to Committee on Taxation

SUMMARY—Urges Congress to enact legislation allowing states to collect sales taxes on remote sales, including sales on the Internet. (BDR R-1312)

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

SENATE CONCURRENT RESOLUTION—Urging Congress to enact legislation allowing states to collect sales taxes on remote sales, including sales on the Internet.

1 WHEREAS, The 1967 *Bellas Hess* and the 1992 *Quill* Supreme
2 Court decisions denied states the authority to require the collection
3 of sales and use taxes by out-of-state sellers that have no physical
4 presence in the taxing state; and

5 WHEREAS, The combined weight of the inability to collect sales
6 and use taxes on remote sales through traditional carriers and the tax
7 erosion due to electronic commerce threatens the future viability of
8 the sales tax as a stable revenue source for state and local
9 governments; and

10 WHEREAS, The Center for Business and Economic Research at
11 the University of Tennessee has estimated that states lost as much as
12 \$30 billion in 2008 because they were not able to collect taxes on
13 remote sales, including sales on the Internet; and

14 WHEREAS, Since 1999, state legislators, governors, local elected
15 officials, state tax administrators and representatives of the private
16 sector have worked to develop a streamlined sales and use tax
17 collection system for the 21st century; and

18 WHEREAS, Between 2001 and 2004, Nevada and 39 other states
19 enacted legislation expressing the intent to simplify the states' sales
20 and use tax collection systems and to participate in multistate
21 discussions to finalize and ratify an interstate agreement to
22 streamline collection of the states' sales and use taxes; and



* S C R 3 5 R 1 *

1 WHEREAS, On November 12, 2002, state delegates unanimously
2 ratified the Streamlined Sales and Use Tax Agreement, which
3 substantially simplifies state and local sales and use tax collection
4 systems, removes the burdens to interstate commerce that were of
5 concern to the Supreme Court and protects state sovereignty; and

6 WHEREAS, The Streamlined Sales and Use Tax Agreement
7 provides the states with a blueprint to create a simplified and more
8 uniform sales and use tax collection system that, when implemented,
9 allows justification for Congress to overturn the *Bellas Hess* and
10 *Quinn* decisions; and

11 WHEREAS, By March 1, 2009, 23 states, including Arkansas,
12 Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska,
13 Nevada, New Jersey, North Carolina, North Dakota, Ohio,
14 Oklahoma, Rhode Island, South Dakota, Tennessee, Utah, Vermont,
15 Washington, West Virginia, Wisconsin and Wyoming, representing
16 over 30 percent of the total population of the United States, enacted
17 legislation to bring their states' sales and use tax statutes into
18 compliance with the Agreement; and

19 WHEREAS, The members of the Nevada Legislature and our
20 colleagues in the other states have shown the resolve to
21 acknowledge the complexities of the current sales and use tax
22 collection system, have worked with the business community to
23 formulate a truly simplified and streamlined sales and use tax
24 collection system and have shown the political will to enact the
25 necessary changes to make the streamlined sales and use tax
26 collection system the law; and

27 WHEREAS, The Main Street Fairness Act will be introduced in
28 the 111th Congress to grant those states that comply with the
29 Agreement the authority to require all sellers, regardless of nexus, to
30 collect those states' sales and use taxes; and

31 WHEREAS, Supporting Nevada's efforts to comply with the
32 Streamlined Sales and Use Tax Agreement and the federal
33 legislation granting collection authority to the states are such
34 organizations as: Associated Builders and Contractors-Sierra
35 Nevada Chapter, Associated General Contractors-Las Vegas
36 Chapter, Carson City Chamber of Commerce, Chancellor and
37 Executive Vice Chancellor-Nevada System of Higher Education,
38 Las Vegas Chamber of Commerce, Las Vegas Police Protective
39 Association Metro, Inc., League of Women Voters of Nevada,
40 NAIOP, Nevada Association of School Boards, Nevada Bankers
41 Association, Nevada Chapter Associated General Contractors,
42 Nevada Franchised Auto Dealers Association, Nevada
43 Manufacturers Association, Nevada Mining Association, Nevada
44 Motor Transport Association, Nevada Petroleum Marketers &
45 Convenience Store Association, Nevada Press Association, Nevada



* S C R 3 5 R 1 *

1 Rental Car Group, Nevada State AFL-CIO, Nevada State Education
2 Association, Nevada Taxpayers Association, Professional Fire
3 Fighters of Nevada, Progressive Leadership Alliance of Nevada,
4 Reno Sparks Chamber of Commerce and Retail Association of
5 Nevada; and

6 WHEREAS, Until Congress and the President enact the Main
7 Street Fairness Act, participation by remote sellers is only voluntary
8 and thus states are unlikely to close the revenue gap between what is
9 owed on remote transactions and what is collected; and

10 WHEREAS, Congressman Roy Blunt of Missouri has termed this
11 federal legislation as “fiscal relief for the states that does not cost
12 the Federal Government a single cent,” ensuring the viability of the
13 sales and use tax as a state revenue source; now, therefore, be it

14 RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE
15 ASSEMBLY CONCURRING, That the members of the Nevada
16 Legislature call upon the members of our Congressional Delegation
17 to join as cosponsors of the Main Street Fairness Act, to support its
18 swift adoption by the Congress of the United States and to urge
19 President Barack Obama to sign this Act into law upon its passage
20 by Congress; and be it further

21 RESOLVED, That the Secretary of the Senate prepare and
22 transmit a copy of this resolution to the President of the United
23 States, the Vice President of the United States as the presiding
24 officer of the United States Senate, the Speaker of the House of
25 Representatives and each member of the Nevada Congressional
26 Delegation.

