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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 2064

March 23, 2009
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The bill was read for the first time and referred to the Committee on Taxes

A resolution

memorializing the members of the Minnesota Congressional delegation to sponsor and support the Main Street Fairness Act.

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

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

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

WHEREAS, the same study estimated that Minnesota lost as much as $456 million in 2008 because of this inability to require remote sellers to collect our state's sales and use taxes; and

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

WHEREAS, between 2001 and 2004, Minnesota and 39 other states enacted legislation expressing the intent of the state to simplify the state's sales and use tax collection systems and to participate in multistate discussions to finalize and ratify an interstate agreement to streamline collection of the states' sales and use taxes; and

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

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

WHEREAS, Minnesota enacted legislation beginning in 2001 to bring this state's sales and use tax statutes into compliance with the Streamlined Sales and Use Tax Agreement; and

WHEREAS, the Main Street Fairness Act will be introduced in the 111th Congress to grant those states that comply with the agreement the authority to require all sellers, regardless of nexus, to collect those states' sales and use taxes; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it calls upon the members of our congressional delegation to join as cosponsors of the Main Street Fairness Act (by Senator Michael Enzi of Wyoming and Congressman William Delahunt of Massachusetts) and to support its swift adoption by the Congress of the United States.

BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota urges President Barack Obama to sign the Main Street Fairness Act into law, upon its passage by the Congress.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United States House of Representatives, the chair of the Senate Committee on Finance, the chair of the House Committee on Ways and Means, and Minnesota's Senators and Representatives in Congress.