

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE SENATE JOINT MEMORIAL 8009**

62nd Legislature  
2011 2nd Special Session

Passed by the Senate December 14, 2011  
YEAS 41 NAYS 6

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**President of the Senate**

Passed by the House December 14, 2011  
YEAS 59 NAYS 36

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**Speaker of the House of Representatives**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE JOINT MEMORIAL 8009** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE JOINT MEMORIAL 8009**

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Passed Legislature - 2011 2nd Special Session

**State of Washington                      62nd Legislature                      2011 2nd Special Session**

**By Senate Ways & Means (originally sponsored by Senators Regala and Nelson)**

READ FIRST TIME 12/14/11.

1            TO THE HONORABLE BARACK OBAMA, PRESIDENT OF THE UNITED STATES, AND  
2 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE  
4 UNITED STATES, IN CONGRESS ASSEMBLED:

5            We, your Memorialists, the Senate and House of Representatives of  
6 the State of Washington, in legislative session assembled, respectfully  
7 represent and petition as follows:

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

12            WHEREAS, This puts local, in-state sellers, whether electronic or  
13 brick and mortar, at a competitive disadvantage in making sales,  
14 because they must collect the sales tax and most remote sellers do not  
15 collect sales tax; and

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

1           WHEREAS, The following federal legislation has been introduced in  
2 the United States Congress to grant states the authority to require all  
3 sellers, regardless of nexus, to collect those states' sales and use  
4 taxes:

5           (1) The Main Street Fairness Act of 2011 (S.1452 sponsored by  
6 Senators Richard Durbin, Daniel Akaka, Daniel Inouye, Tim Johnson, Jack  
7 Reed, and Sheldon Whitehouse; and H.R. 2701 sponsored by  
8 Representatives John Conyers, Jr., Michael Capuano, Jesse Jackson,  
9 Henry C. "Hank" Jr. Johnson, Heath Shuler, Adam Smith, and Peter  
10 Welch);

11           (2) The Marketplace Fairness Act of 2011 (S.1832 sponsored by  
12 Senators Michael Enzi, Lamar Alexander, Roy Blunt, John Boozman, Bob  
13 Corker, Richard Durbin, Tim Johnson, Mark Pryor, Jack Reed, and Sheldon  
14 Whitehouse); and

15           (3) The Marketplace Equity Act of 2011 (H.R. 3179 sponsored by  
16 Steve Womack, Michael Cupuano, Judy Chu, Eric A. "Rick" Crawford,  
17 Theodore E. Deutch, Mario Diaz-Balart, John J. Duncan Jr., Renee L.  
18 Ellmers, Gene Green, Carolyn B. Maloney, Betty McCollum, Brad Miller,  
19 Kristi L. Noem, Ted Poe, Dennis Ross, Heath Shuler, Jackie Speier, and  
20 Peter Welch); and

21           WHEREAS, It is estimated that Washington would realize up to \$170.3  
22 million in state and local taxes in the 2011-2013 biennium, and \$483.0  
23 million in state and local taxes in the 2013-2015 biennium, if it had  
24 the ability to require remote sellers to collect our state's sales and  
25 use taxes; and

26           WHEREAS, Since 1999, state legislators, governors, local elected  
27 officials, state tax administrators, and representatives of the private  
28 sector have worked to develop a Streamlined Sales and Use Tax  
29 Collection System for the 21st century; and

30           WHEREAS, On November 12, 2002, state delegates unanimously ratified  
31 the Streamlined Sales and Use Tax Agreement, which substantially  
32 simplifies state and local sales tax systems, removes the burdens to  
33 interstate commerce that were of concern to the Supreme Court, protects  
34 state sovereignty, and is consistent with the introduced federal  
35 legislation; and

36           WHEREAS, The Streamlined Sales and Use Tax Agreement provides the  
37 states with a blueprint to create a simplified and more uniform sales

1 and use tax collection system that when implemented, allows  
2 justification for Congress to overturn the Bellas Hess and Quill  
3 decisions; and

4 WHEREAS, Washington State enacted legislation in 2007 to bring this  
5 state's sales and use tax statutes into compliance with the Streamlined  
6 Sales and Use Tax Agreement; and

7 WHEREAS, By November 30, 2011, 24 states: Arkansas, Georgia,  
8 Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada,  
9 New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island,  
10 South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia,  
11 Wisconsin, and Wyoming, representing over 40 percent of the total  
12 population of the United States enacted legislation to bring their  
13 state's sales and use tax statutes into compliance with the Agreement;  
14 and

15 WHEREAS, Over 1,700 businesses have voluntarily registered under  
16 the Streamline Sales and Use Tax Agreement to collect and remit sales  
17 and use taxes; and

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

25 WHEREAS, Until Congress and the President enact federal  
26 legislation, participation by remote sellers is only voluntary and thus  
27 states are unlikely to close the revenue gap between what is owed on  
28 remote transactions and what is collected; and

29 WHEREAS, Governors and state legislatures have made the difficult  
30 choices to reduce spending and where necessary to raise revenue during  
31 the recent "great" recession to close the \$417 billion cumulative  
32 budget gaps; and

33 WHEREAS, After closing \$417 billion in budget gaps for fiscal years  
34 2009-2011, the estimated budget shortfall for states in fiscal year  
35 2012 will be \$82 billion and for fiscal year 2013 will be \$67 billion;  
36 and

37 WHEREAS, Federal legislation would provide fiscal relief for the  
38 states by enabling collections of taxes that are already due;

1           NOW, THEREFORE, Your Memorialists respectfully pray that: The  
2 members of our congressional delegation join as cosponsors of the  
3 introduced federal legislation and support the Act's swift adoption by  
4 the Congress of the United States; and that President Barack Obama sign  
5 the legislation, upon its passage by Congress.

6           BE IT RESOLVED, That copies of this Memorial be immediately  
7 transmitted to the Honorable Barack Obama, President of the United  
8 States, the President of the United States Senate, the Speaker of the  
9 House of Representatives, and each member of Congress from the State of  
10 Washington.

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