
SENATE JOINT MEMORIAL 8009

State of Washington

62nd Legislature

2011 Regular Session

By Senator Regala

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, It is estimated that Washington would realize as much as
2 \$134 million in state and local taxes in 2012 if it had the ability to
3 require remote sellers to collect our state's sales and use taxes; and

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

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

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

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

21 WHEREAS, By March 1, 2011, 24 states: Arkansas, Georgia, Indiana,
22 Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New
23 Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island,
24 South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia,
25 Wisconsin, and Wyoming, representing over 40 percent of the total
26 population of the United States enacted legislation to bring their
27 state's sales and use tax statutes into compliance with the Agreement;
28 and

29 WHEREAS, Over 1,400 businesses have voluntarily registered under
30 the Streamline Sales and Use Tax Agreement to collect and remit sales
31 and use taxes; and

32 WHEREAS, The legislature of Washington and our colleagues in the
33 other states have shown the resolve to acknowledge the complexities of
34 the current sales and use tax collection system, have worked with the
35 business community to formulate a truly simplified and streamlined
36 collection system, and have shown the political will to enact the
37 necessary changes to make the streamlined collection system the law;
38 and

1 WHEREAS, The Main Street Fairness Act will be introduced in 112th
2 Congress to grant those states that comply with the Agreement the
3 authority to require all sellers, regardless of nexus, to collect those
4 states' sales and use taxes; and

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

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

13 WHEREAS, After closing \$417 billion in budget gaps for fiscal years
14 2009-2011, the estimated budget shortfall for states in fiscal year
15 2012 will be \$82 billion and for fiscal year 2013 will be \$67 billion;
16 and

17 WHEREAS, This federal legislation provides fiscal relief for the
18 states by enabling collections of taxes that are already due;

19 NOW, THEREFORE, Your Memorialists respectfully pray that: The
20 members of our congressional delegation join as cosponsors of the Main
21 Street Fairness Act and support the Act's swift adoption by the
22 Congress of the United States; and that President Barack Obama sign the
23 Main Street Fairness Act into law, upon its passage by Congress.

24 BE IT RESOLVED, That copies of this Memorial be immediately
25 transmitted to the Honorable Barack Obama, President of the United
26 States, the President of the United States Senate, the Speaker of the
27 House of Representatives, and each member of Congress from the State of
28 Washington.

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