

RESOLUTION NO. 2000-45

RESOLUTION ON DELAYING CONGRESSIONAL ACTION ON INTERNET TAX MORATORIUM

WHEREAS, out-of-state remote sellers who conduct sales via the Internet, mail order, and phone are not required by law to collect existing sales and use taxes imposed by state and local governments; and

WHEREAS, the primary barrier to collecting taxes on remote sales is the Supreme court's ruling in Quill V. North Dakota which defers to Congress to authorize states to require remote sellers to collect taxes in a manner that does not unduly burden Interstate commerce; and

WHEREAS, state and local governments are working together to implement a streamlined sales tax system that would simplify definitions, tax rates, and tax bases and use 21st Century technology in the collection process; and

WHEREAS, current laws create a competitive disadvantage and great inequities between merchants who sell from traditional "brick-and-mortar" establishments and those who sell from electronic stores; and

WHEREAS, increasing sales on the Internet, and the resulting erosion of sales and use tax revenues, will limit the ability of states and governments and school districts to finance essential public services such as police, fire, emergency medical service, education, social services, infrastructure development, and healthcare; and

WHEREAS, a recent University of Tennessee study estimates that state sales tax revenue losses in 2003 will exceed \$10 billion; and

WHEREAS, the Advisory Commission on Electronic Commerce failed to reach a legally required consensus on fair and equitable treatment of both remote sellers and "Main Street" retailers and also proposed that Congress preempt state and local sovereignty guaranteed by the U. S Constitution:

NOW, THEREFORE BE IT RESOLVED, that the Weakley County Commission support simplification of state and local taxes, and urges states to move expeditiously to develop and approve model simplification legislation; and

BE IT FURTHER RESOLVED, that Congress should not extend or expand the current moratorium until its expiration in October 2001; and

BE IT FURTHER RESOLVED, that if state and local governments choose to negotiate a brief extension of the existing moratorium as part of a broader bill, such an extension:

- Should only be effective for a short period of time (no more than two years); and
Must be linked to states' successfully implementing sales tax simplification, which would trigger Congressional authorization of expanded duty to collect use taxes on remote sales.

BE IT FURTHER RESOLVED, that all resolutions of the Board of County Commissioners of Weakley County, Tennessee, which are in conflict with this resolution are hereby repealed.

BE IT FURTHER RESOLVED, by the county legislative body of Weakley County, Tennessee assembled in regular session on this the 12th day of June 2000 in Dresden, Tennessee this resolution is hereby approved.

BE IT FURTHER RESOLVED, that this resolution take effect from and after its passage, the public welfare require in it. This resolution shall be spread upon the minutes of the Board of County Commissioners.

Pursuant To The Rules Of The Commission, This Resolution Is Sponsored By The Following Members Of The Weakley County Board Of County Commissioners:

SPONSORED BY:

[Signature of William A. Jones]

SPONSORED BY:

[Signature of Roger Stewart]

ACKNOWLEDGED AND APPROVED:

[Signature of Bill Allen]

Chairman, Finance, Ways, & Means Committee

Motion made by Commissioner Vincent that the foregoing resolution be adopted:

Motion seconded by Commissioner Phebus

Voice Vote. Passed Unanimously. Upon being put to a roll call vote, Motion by a vote of Yeas, Nays,

Passed and Absent.

Attested:

[Signature of Pat Scarbrough]
Pat Scarbrough, County Clerk

Approved:

[Signature of Ron Gifford]
Ron Gifford, County Executive

THIS THE 12th DAY OF JUNE, 2000.