



## Large Conservative Groups to Congress: No Lame Duck Internet Sales Tax

December 6, 2016

Dear Members of Congress:

On behalf of the members of our respective organizations, we ask you to not address the issue of collecting internet sales taxes during this current lame duck session of Congress. The issue is contentious, and previous attempts to do so have raised important questions that have yet to be resolved. Pushing through a bill in the lame duck would allow little time for debate or discussion of these complicated issues and we respectfully request that you refrain from doing so.

Currently, the Supreme Court's 1992 *Quill* decision establishes the framework for collecting such taxes. Fundamentally, it requires nexus, or the seller's physical presence within a state, before that state may collect a sales tax from the seller. Yet, as e-commerce and internet sales have expanded, brick and mortar stores have been pressuring Congress to establish a new framework for collecting sales taxes from online out-of-state sellers. Unfortunately, previous attempts to do so generated serious Constitutional questions about the scope and reach of state tax authorities, as well as concerns about the administrative burdens created by the new tax collection schemes.

Addressing the constitutional concerns has proved to be problematic, and minimizing the administrative burden typically relies on the creation of new clearinghouses to correctly allocate revenues to the various states. And the treatment of states that do not collect sales taxes poses a challenge with respect to equity and tax competition. We believe tax competition among the states is a healthy practice that can help minimize burdensome taxes on consumers. These issues have yet to be fully settled, and, therefore, we urge you not to attempt to pass such legislation in the current lame duck session of Congress.

Sincerely,

Brent Wm. Gardner  
Chief Government Affairs Officer  
Americans for Prosperity

Wayne T. Brough, Ph.D.  
Chief Economist and VP for Research  
FreedomWorks

Michael A. Needham  
Chief Executive Officer  
Heritage Action For America

Grover Norquist  
President  
Americans for Tax Reform