

Rep. Meadows offered the following resolution:

**House Resolution No. 156.**

A resolution to memorialize Congress to resolve the internet taxation issue and enact legislation, such as the Main Street Fairness Act, to allow states to collect sales taxes on internet and other remote sales transactions.

Whereas, Under a pair of United States Supreme Court decisions in 1967 and 1992, states cannot impose sales taxes on merchants unless they have a physical presence such as a store or warehouse in the state. As a result, merchants physically located in Michigan have to pay sales taxes, while online retailers located in other states do not. Michigan is supposed to collect use taxes on remote sales, but this is extremely difficult and most people do not pay any taxes on their online purchases. This gives internet retailers an unfair competitive advantage over retailers physically located in Michigan; and

Whereas, The inability of states to collect sales taxes on internet purchases has caused local businesses to shutter their storefronts and has led to lost revenue for states and municipalities. Many consumers will visit local stores to investigate a product, but then purchase it online to avoid paying the sales tax. Countless brick and mortar retailers--contributors to state and local economies--are going out of business because of this tax handicap. Meanwhile, not taxing internet purchases subsidizes the growth of distant companies that do little to contribute to a local community's civic and economic vitality. This unequal taxation reduces tax revenue for schools, police, and other government services. The lack of taxes on internet sales also makes a regressive tax more regressive, given that only those with internet access and a credit card are able to take advantage of the tax loophole; and

Whereas, The Main Street Fairness Act (MSFA) would level the playing field between online retailers and storefront businesses. The MSFA would authorize Michigan, and other states who are parties to the Streamlined Sales and Use Tax Agreement, to collect taxes from out-of-state sellers. The MSFA promotes simplification and fairness in the administration and collection of sales and use taxes by member states. Passage of the MSFA would begin to reverse state and local revenue declines and eliminate the unfair advantage internet sellers currently have over brick and mortar stores; now, therefore, be it

Resolved by the House of Representatives, That we memorialize Congress to resolve the internet taxation issue and enact legislation, such as the Main Street Fairness Act, to allow states to collect sales taxes on internet and other remote sales transactions; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.