

Ayotte: Any Tax Reform Proposal Must Keep Internet

Urges Finance Committee leaders to reject online sales tax proposal, permanently ban

Jul 29, 2013

WASHINGTON, D.C. - As the Senate Finance Committee continues to discuss proposals to reform A Senator Kelly Ayotte (R-NH) is urging the committee's leaders to ensure any tax reform proposal kee tax requirements and restrictions. In a letter to Chairman Max Baucus (D-MT) and Ranking Member (renewed her opposition to proposed online sales tax legislation and expressed support for making p Internet access taxes. Ayotte also said that any tax reform proposal should make the nation's tax coc growth.

Senator Ayotte has [led the fight \(http://www.ayotte.senate.gov/?p=news&id=923\)](http://www.ayotte.senate.gov/?p=news&id=923) to protect New Han legislation that would allow states to force online retailers to collect sales taxes for states in which the She took to the Senate floor several times this year in opposition to the Marketplace Fairness Act (S. Hampshire online retailers to the debate on Capitol Hill. Last Congress, she introduced a bipartisan r Senate that no federal legislation should give states the authority to impose any new burdensome or Internet businesses and entrepreneurs.

Ayotte is also cosponsoring the [Permanent Internet Tax Freedom Act \(http://www.ayotte.senate.gov\)](http://www.ayotte.senate.gov) that would permanently extend the current ban on Internet access taxes.

AYOTTE LETTER TO FINANCE COMMITTEE:

July 26, 2013

Chairman Baucus and Ranking Member Hatch:

As the Finance Committee considers proposals to reform our nation's complex tax code, I urge you t

free from burdensome new taxes and tax restrictions.

Congress should enact measures that are designed to promote innovation and entrepreneurship. Unadopted the so-called Marketplace Fairness Act (S. 743), which would allow a state to force online retailers, even if the retailer has no physical presence in that state. As you know, under current Supreme Court precedent, a state cannot reach beyond its borders to compel out-of-state Internet vendors to collect such taxes would place an unconstitutional burden on interstate commerce. By usurping this protection, the Act would undermine the important nexus protection of the Commerce Clause.

Further, the bill would result in crippling new costs on small Internet businesses because they would have to navigate 9,600 different tax jurisdictions across the nation. In addition to higher operating costs associated with compliance requirements, small businesses will also be on the hook for expensive audits and legal bills if there are errors in calculations and distributions they must make every day. For these reasons and more, tax reform efforts should ensure that states are not able to collect sales tax on remote online sales.

In addition, earlier this year, I introduced legislation that would permanently extend the current ban on the Permanent Internet Tax Freedom Act (S. 31) would prevent state and local governments from imposing or prohibiting any multiple or discriminatory taxes on e-commerce.

As you know, the Internet Tax Freedom Act, originally enacted in 1998, was designed to prevent states from imposing multiple jurisdictions could not tax the same electronic commerce transaction, and to ensure that e-commerce is not singled out for discriminatory tax treatment. The current moratorium is scheduled to expire in 2015.

E-commerce is thriving largely because the Internet is free from burdensome tax restrictions. Any tax reform should ensure certainty to the marketplace, and ensure that the Internet continues to be a driving force for jobs and economic growth.

Congress has the opportunity to transform our complicated tax code into one that is simpler, more efficient, and more competitive. So effectively, I believe that we must eliminate inefficient and unfair loopholes and lower rates across these important issues as you continue discussions about reforming our nation's tax code.

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