



FreedomWorks



20+ Conservative Organizations to Utah State Legislature: Oppose Online Sales Tax Proposal

January 27, 2016

Dear Utah State legislator:

On behalf of our organizations and the millions of citizens we represent, we write in strong opposition to the online sales tax proposal currently being considered in the Utah state legislature. This misguided plan (SB 65) is a nuisance reporting requirement in order to give Utah tax collectors information that they'd then use to collect use tax, and would create host of economic, logistic, and Constitutional problems.

Allowing states to assert tax authority on businesses outside their borders is also constitutionally suspect and practically unwise. It's constitutionally suspect because the interstate commerce clause exists precisely to empower Congress to prevent such activities and because Supreme Court precedent underscores the importance of physical presence. It's practically unwise because it would subject Utah businesses to the tax collectors of states that don't share its generally solid conservative governance, like California, New York, and Illinois.

Despite proponents' claim to the contrary, online sales tax would impose high costs of compliance on businesses, especially small businesses and individual sellers. Keeping constantly-changing rates, bases, and collection methodologies, would be very challenging for remote sellers, and may even prevent some from selling to Utah consumers. This is a much higher collection standard than bricks-and-mortar sellers, which are only required to collect at the rate of their physical location.

We oppose efforts to impose tax collection and reporting requirements on businesses without a physical presence in the state, including measures like SB 65 and others like it.

Sincerely,

Evelyn Everton, Utah State Director
Americans for Prosperity

Grover Norquist, President
Americans for Tax Reform



Wayne Brough, PhD, Chief Economist and VP for Research
FreedomWorks



Lisa Nelson, CEO
The Jeffersonian Project, an affiliate of the American Legislative
Exchange Council



Brandon Arnold, Executive Vice President
National Taxpayers Union



Andrew Moylan, Executive Director and Senior Fellow
R Street Institute



George David Banks, Executive Vice President
American Council for Capital Formation



Sean Noble, President
American Encore



Peter J. Thomas, Chairman
Americans for Constitutional Liberty



Norm Singleton, President
Campaign For Liberty



Timothy H. Lee, Senior Vice President of Legal and Public Affairs
Center for Individual Freedom



Tom Brinkman Jr., Chairman
Coalition Opposed to Additional Spending and Taxes (COAST)

Jessica Melugin, Adjunct Fellow
Competitive Enterprise Institute

Katie McAuliffe, Executive Director
Digital Liberty

Jonathan Haines, Director
Federalism In Action

George Landrith, President
Frontiers of Freedom

Andrew Clark, President
Generation Opportunity



Mario H. Lopez, President
Hispanic Leadership Fund

Seton Motley, President
Less Government



Daniel Garza, Executive Director
The LIBRE Initiative

David Williams, President
Taxpayers Protection Alliance

Judson Phillips, Founder
Tea Party Nation

