

May 15, 2017

Open Letter to the House of Representatives: Support the “No Regulation without Representation Act of 2017”

Dear Representatives:

We, the undersigned organizations representing millions of Americans, **write to express gratitude to Congressman Jim Sensenbrenner for his introduction of the No Regulation without Representation Act of 2017 and to voice our support for the legislation. The bill codifies the requirement that businesses have to be physically located in a state before they can be taxed or regulated, protecting them while maintaining state sovereignty.**

The United States has benefited under our federalist system that has allowed states to be laboratories of democracy. Businesses and the people that own and run them can choose the state tax and regulatory climate that suits their own unique needs and preferences, and they can hold their state elected officials accountable. Unfortunately, a number of worrisome legislative trends at the state level threaten to erode that foundation of federalism by empowering states to exercise power outside their borders. For example, bills that would dramatically expand authority to collect sales taxes, label restaurant menus, and even determine the appropriate size of chicken cages could impose undue economic burdens on citizens by government officials who are in no way accountable to them. If unchecked, such efforts could substantially harm interstate commerce.

The unconstitutional nature of these proposals is cause for alarm. **The Supreme Court ruled unequivocally in its 1992 decision, *Quill v. North Dakota* that a physical presence is required as sufficient nexus to impose sales taxes.** In other words, it underscored the common sense notion that a state is sovereign within its own borders but cannot exercise power outside them. They also held that the dormant commerce clause of the Constitution forbids states from imposing cross-border regulations.

We commend Congressman Sensenbrenner for defending the Constitution, his constituents, and taxpayers across the nation by introducing this important legislation. States must maintain the right to govern their home businesses as they see fit, and to protect them from the reach of other state governments.

We strongly urge every member of Congress to cosponsor and support the No Regulation without Representation Act. Passage of this bill would codify important Constitutional protections on behalf of consumers, taxpayers, and small businesses.

Sincerely,

Brandon Arnold, Executive Vice President
National Taxpayers Union

Lisa B. Nelson, CEO
ALEC Action



Chrissy Harbin, Vice President of External Affairs
Americans for Prosperity

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R Street Institute

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Digital Liberty

Downsize DC

 **FreedomWorks**

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