

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE DRH70125-RBz-5* (01/07)

Short Title: Streamlined Sales and Use Tax Update. (Public)

Sponsors: Representatives Gibson; Luebke, Brubaker, Hill, McComas, McGee,
Wainwright, Weiss, and Carney.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO URGE THE 111TH CONGRESS TO GRANT STATES THE ABILITY TO
3 REQUIRE COLLECTION OF SALES AND USE TAX BY REMOTE RETAILERS AND
4 TO UPDATE THE REFERENCE TO THE STREAMLINED SALES AND USE TAX
5 AGREEMENT.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** The General Assembly strongly encourages Congress to grant states
8 the ability to require collection of sales and use tax by remote retailers by enacting the
9 provisions of the Sales Tax Fairness and Simplification Act, a bipartisan bill introduced in the
10 110th Congress as H.R. 3396 by Rep. William Delahunt (D-MA) and as S. 34 by Senator Mike
11 Enze (R-WY), for the following reasons:

- 12 (1) As Congress works to develop an economic stimulus package to provide
13 much needed relief to businesses, individuals, and states, the Sales Tax
14 Fairness and Simplification Act would provide tens of billions of dollars in
15 funding to many states and local governments at minimal or no cost to the
16 federal government.
- 17 (2) The Sales Tax Fairness and Simplification Act would ensure a fairer and
18 more equitable sales tax system by requiring all retailers, both Main Street
19 brick-and-mortar retailers and remote retailers, to collect and remit state
20 sales and use taxes.
- 21 (3) Under previous United States Supreme Court decisions, the states' ability to
22 collect sales and use taxes from remote retailers is restricted. However, the
23 Court has stated in its decisions that Congress has the authority to grant
24 states the ability to require collection of sales and use tax by remote retailers.
- 25 (4) In an effort to address the collection issues identified by the United States
26 Supreme Court, North Carolina is one of 22 states that have enacted
27 legislation to simplify their sales and use tax laws to conform to the
28 uniformity requirements of the Streamlined Sales and Use Tax Agreement.
- 29 (5) North Carolina has collected thirty-six million dollars (\$36,000,000) in
30 revenues since October 2005 through the voluntary remittance of sales and
31 use taxes by remote sellers under the Streamlined Sales and Use Tax
32 Agreement. This amount is far less than the estimated amount the State is
33 not collecting from sales by remote sellers.

34 **SECTION 2.** G.S. 105-164.3(45a) reads as rewritten:



1 "(45a) Streamlined Agreement. – The Streamlined Sales and Use Tax Agreement as
2 amended as of ~~June 23, 2007~~September 5, 2008."
3 **SECTION 3.** This act is effective when it becomes law.