

1 **COMMITTEES: COMMUNICATIONS, FINANCIAL SERVICES, AND**
2 **INTERSTATE COMMERCE**
3 **BUDGETS & REVENUE**

4 **POLICY: NATIONAL CONFERENCE OF STATE LEGISLATURES**
5 **SUPPORTS PASSAGE OF THE FEDERAL DIGITAL**
6 **GOODS & SERVICES TAX FAIRNESS ACT**

7 **TYPE: RESOLUTION**

8 **WHEREAS**, digital goods and services are online purchases that are downloaded
9 directly by, or services that are provided electronically to, consumers that can transcend
10 numerous state and local boundaries across the United States; and

11 **WHEREAS**, the exponential growth of digital commerce has demonstrated the
12 importance of digital products to the American economy; and

13 **WHEREAS**, state policymakers recognize that the continued deployment of broadband
14 infrastructure and adoption of broadband services is vital to economic growth and
15 participation in the global economy; and

16 **WHEREAS**, digital goods and services are a major driver of the rapidly growing 21st
17 Century digital economy and as such, fair and rational tax policies are needed that will
18 not impede the continued growth of this segment of the economy; and

19 **WHEREAS**, as state and local governments continue to seek to modernize their tax
20 base to include various forms of digital commerce, doing so without establishing a
21 national framework could potentially subject consumers to multiple states claiming the
22 right to tax the same transaction or subject such transactions to discriminatory taxation
23 at rates higher than the rates imposed on the in-state sales of similar goods or services;
24 and

25 **WHEREAS**, establishing a national framework would clearly identify which state and
26 local jurisdiction can tax a digital transaction, providers required to collect taxes, and

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27 allow state and local governments seeking to tax such goods and services to do so in a
28 fair, uniform and rational manner; and

29 **WHEREAS**, establishing a national framework as set forth in the Digital Goods and
30 Services Tax Fairness Act as introduced in the 114th Congress preserves state
31 sovereignty as the decision to tax digital commerce or not remains solely with the
32 states; and

33 **WHEREAS**, the Mobile Telecommunications Sourcing Act (P.L. 106-252) established
34 uniformity in sourcing mobile telecommunications services for state and local tax
35 purposes using similar concepts to those contained in the Digital Goods and Services
36 Tax Fairness Act as introduced in the 114th Congress; and

37 **WHEREAS**, NCSL has worked with other state and local organizations as well as
38 members of the Download Fairness Coalition to develop the principles contained in the
39 legislation and is poised to assist states as needed in complying with the federal
40 legislation; and

41 **NOW, THEREFORE, BE IT RESOLVED**, that the National Conference of State
42 Legislatures urges Congress to introduce and pass legislation that provides a
43 framework for the taxation of digital goods and services consistent with NCSL principles
44 to establish a national framework providing certainty and uniformity for state and local
45 governments in the taxation of digital goods and services, while protecting consumers
46 from multiple and discriminatory taxation and supporting the continued growth of the
47 digital economy.

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