



Internet Association

May 23, 2016

Honorable Taylor Barras, Speaker  
Louisiana House of Representatives  
P.O. Box 94062  
Baton Rouge, LA 70804

RE: Oppose HB 1121, Internet Sales Tax and Consumer and State Reporting

Dear Speaker Barras:

Our associations together represent hundreds of internet, social media, education, clean energy and technology companies that are committed to advancing public policy and private sector initiatives that allow the U.S. to remain the most innovative country in the world.

We are writing to urge you to VOTE NO on passage of HB 1121. While we understand the need for states to raise revenue, we worry that this bill is seriously flawed:

- It would expose the private purchasing information of Louisiana consumers to potential abuse or leaks by the state's tax department.
- It is based on a Colorado law that a federal court already ruled unconstitutional.
- The artificial expansion of physical presence puts your state's businesses at risk of reactionary legislation in other states.
- Nothing about this bill would bring new revenue into Louisiana, as it would only move money from the pockets of Louisiana residents to state coffers.

This bill mandates that the Secretary of State receive from every company the total purchase price that residents make from out-of-state companies. Just listing the company name or website, which is currently private, might be descriptive enough to invade a person's privacy as someone could conclude from a company name alone, a person's political leanings, sexual orientation or even health problems. For example, consider a Louisiana consumer that purchases something from [www.majordepressiveorder.com](http://www.majordepressiveorder.com). In essence, this bill would give the state the ability to look into the personal lives of state residents.

HB 1121 mirrors a 2010 Colorado law which federal courts determined violated the U.S. Constitution based on Dormant Commerce Clause and First Amendment rights. A federal court enjoined the Colorado reporting mandate and nearly six years later, the law remains in limbo while the state continues to spend thousands of dollars attempting to overturn that decision, so the law remains in litigation. Like the Colorado law, HB 1121 would impose undue burdens on every out-of-state seller, pointing to similar constitutional infirmities and an expensive court battle with a predictable outcome.

HB 1121 also erodes the physical presence standard that protects Louisiana businesses from tax collectors in other states. Enactment of this bill could prompt other states to force Louisiana businesses to comply with their tax rules, rates, tax holidays, thresholds, and caps. Imagine telling your local businesses that Louisiana companies must now collect and remit taxes in New York, Massachusetts, California, etc., making them subject to audits by those states.

For these reasons, we ask that you VOTE NO on HB 1121 as it would not bring significant new tax revenue, would present new burdens on taxpayers, violate constituents' privacy, and force the state to defend the law's constitutionality at the expense of cash-strapped taxpayers.

Thank you for considering our views. Please let us know if you have questions or we can provide further information.

Sincerely,



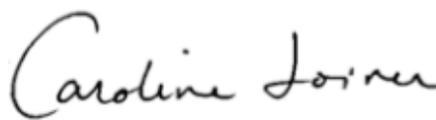
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cc: House Members