



The NetChoice Coalition

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**Netchoice Statement on House Judiciary Committee Hearing on
Constitutional Limitations on States' Authority to Collect Sales Taxes in E-
Commerce**

(Washington, D.C.) – On Wednesday, November 30 the House Judiciary Committee will hold a hearing titled Constitutional Limitations on States' Authority to Collect Sales Taxes in E-Commerce. The title is somewhat misleading, given that states already can and currently do levy taxes on online retail.

The real issue before the committee is whether states should be allowed to tax a retailer with no physical presence in their state. The Supreme Court has reviewed state sales tax systems and concluded that requiring businesses to comply with thousands of taxing jurisdictions would be an unconstitutional impediment to Interstate Commerce.

Since the Court ruling in 1992, states have failed to meaningfully simplify their tax systems and in many cases made them even more complicated.

“Today’s hearing comes at a time when Congress faces a deluge of online sales tax proposals that would re-interpret Constitutional principles that protect interstate commerce,” said Steve DelBianco, executive director of NetChoice. “Each of these proposals would overrule Supreme Court guidance and impose big burdens on small businesses who go online to find new customers.”

The committee should pay close attention to the harm that a massive new state sales tax system would impose on interstate commerce and small online retailers.

NetChoice is an advocacy organization that fights threats to online commerce and promotes policies that protect Internet innovation and communication on a state, federal and international basis. The Washington, DC-based group protects Internet commerce-driven competition and battles rules that hinder consumer choice and hurt small businesses. For more information, see www.netchoice.org.

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