

NetChoice *Promoting Convenience, Choice, and Commerce on The Net*

Steve DelBianco, Executive Director
1401 K St NW, Suite 502
Washington, DC 20005
202-420-7482
www.netchoice.org



March 21, 2016

Members of the Idaho House of Representatives
Boise, Idaho

Subject: **Reasons to oppose HB 633 — Sales tax collection from out-of-state sellers**

Dear House Members:

In the next few days, the Idaho House will consider House Bill 633, a bill that purports to impose sales tax collection obligations on out-of-state sellers. I wanted to share some of the flaws with HB 633, to help you oppose on the House Floor.

First, Idahoans will likely see HB 633 as a new tax, since any tax collected will come from the pockets of Idaho citizens, not from out-of-state businesses. HB 633 is likely to be broadly opposed by Idahoans. We recently polled Utah residents on similar approaches in that state, and 71% opposed requiring businesses to collect and file sales taxes for up to 46 states. Two-thirds said requiring them to pay tax on online purchases from out-of-state businesses would be a statewide tax increase. We would likely see similar results in a poll of Idahoans. (see Utah polling [here](#))

Second, HB 633 is not likely to survive a constitutional challenge. But enactment and litigation could prompt other states to force Idaho businesses to comply with *their* tax rules, rates, tax holidays, thresholds, and caps. HB 633 could thereby encourage 45 additional state tax auditors to go after Idaho business. Imagine telling your local businesses that New York and Illinois tax auditors can now go after them for taxes due on past sales to out-of-state customers.

Finally, even if HB 633 survived a Supreme Court challenge, *no new money will flow into the state*. Any sales taxes collected as the result of the bill would not come from out-of-state businesses, but would instead come from the pockets of Idahoans. In essence, all HB 633 would do is transfer money from Idaho citizens to Boise's tax coffers.

We ask that you oppose HB 633 and protect Idaho businesses from out-of-state tax auditors, protect Idaho citizens from a new tax, and protect Idaho from costly litigation.

Thank you for considering our views and please let me know if we can provide further information.

Sincerely,

A handwritten signature in black ink that reads "Steve DelBianco".

Steve DelBianco
Executive Director, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org