

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

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November 16, 2016

Chairman Peterson  
Chairman Madden  
Joint Revenue Interim Committee  
213 State Capitol  
Cheyenne, WY 82002

**Subject: Reasons to oppose Wyoming L.S.O. 215 - Tax (Internet Taxation/Streamlined Sales Tax)**

Dear Chairman Peterson and Chairman Madden and members of the Joint Revenue Interim Committee:

In the next few days, you will consider LSO 215, a bill that purports to impose sales tax collection obligations on out-of-state sellers. We ask that you not move forward with this bill.

Nonetheless, we wanted to share some of the flaws with LSO 215, to help you better understand some of the problems with the legislation.

### [Seen as a new tax by your constituents](#)

Wyoming residents will likely see LSO 215 as a new tax since any tax collected will come from the pockets of Wyoming citizens, not from out-of-state businesses. Also, LSO 215 is likely to be broadly opposed by Wyoming citizens.

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 Wyoming citizens. (see Utah polling [at NetChoice.org/UtahTaxPoll](http://www.netchoice.org/UtahTaxPoll))

### [Likely to fail a constitutional challenge and could boomerang back on Wyoming businesses](#)

LSO 215 is not likely to survive a constitutional challenge. But enactment and litigation could prompt other states to force Wyoming businesses to comply with *their* tax rules, rates, tax holidays, thresholds, and caps.

LSO 215 could thereby encourage 45 additional state tax auditors to go after Wyoming business. Imagine telling your local businesses that New York and California tax auditors can now go after them for taxes due on past sales to out-of-state customers.

## No new money would flow into Wyoming

Even if LSO 215 survived a Supreme Court challenge, *no new money will flow into Wyoming*. 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 Wyoming residents.

In essence, all LSO 215 would do is transfer money from Wyoming citizens to Cheyenne's tax coffers.

We ask that you oppose LSO 215 and protect Wyoming businesses from out-of-state tax auditors, protect Wyoming citizens from a new tax, and protect Wyoming from costly litigation.

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

Sincerely,



Carl Szabo  
Senior Policy Counsel, NetChoice

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