A CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO ALLOW
STATES TO TAX INTERNET AND MAIL ORDER SALES.

WHEREAS, state and local governments across the country have relied heavily on sales and use taxes to provide services to their constituents; and

WHEREAS, the explosive growth in the sale of goods and services over the Internet has limited the ability of states to fairly administer an outdated and cumbersome tax system; and

WHEREAS, in 1998, Congress approved the Internet Tax Freedom Act, which prohibited state and local governments from imposing any new taxes on e-commerce for three years and remains in effect until October 1, 2001; and

WHEREAS, e-commerce is increasing at an astonishing rate as totals in 1998 reached only $14.9 billion and more than doubled in 1999, reaching $31 billion; and

WHEREAS, the sales tax exemption for e-commerce is likely to exacerbate a growing gap between those who have Internet access and those without Internet access; and

WHEREAS, imposition of sales and use taxes on e-commerce is necessary for a level playing field for all consumers; and

WHEREAS, a permanent ban on Internet taxes by Congress, would leave state leaders facing the possibility of radical overhauls in state tax systems to make up for lost revenues; and

WHEREAS, there is a legal restriction on the ability of states to impose sales and use taxes on certain mail order sales causing an inequity in the imposition of sales and use taxes on purchases made through certain mail order businesses compared to
WHEREAS, the inability of states to impose sales and use taxes on purchases made through certain mail order businesses creates a shortfall in sales and use tax collections for state and local government:

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF MISSISSIPPI, THE SENATE CONCURRING THEREIN, That we do hereby memorialize Congress to end the moratorium on Internet taxes and allow the states to impose taxes on Internet and mail order sales.

BE IT FURTHER RESOLVED, That copies of this resolution be furnished to the Mississippi Congressional Delegation and to the members of the Capitol Press Corps.