

By: Senator(s) Smith

To: Finance

SENATE BILL NO. 2278

1 AN ACT TO CREATE THE "STREAMLINED SALES TAX SYSTEM FOR THE
 2 TWENTY-FIRST CENTURY ACT"; TO REQUIRE THE STATE TAX COMMISSION TO
 3 ENTER INTO DISCUSSIONS WITH STATES REGARDING DEVELOPMENT OF A
 4 MULTI-STATE, VOLUNTARY, STREAMLINED SYSTEM FOR SALES AND USE TAX
 5 COLLECTION AND ADMINISTRATION; TO PROVIDE THAT THESE DISCUSSIONS
 6 SHALL FOCUS ON A SYSTEM THAT WOULD HAVE THE CAPABILITY TO
 7 DETERMINE WHETHER THE TRANSACTION IS TAXABLE OR TAX EXEMPT, THE
 8 APPROPRIATE TAX RATE APPLIED TO THE TRANSACTION, AND THE TOTAL TAX
 9 DUE ON THE TRANSACTION AND PROVIDE A METHOD FOR COLLECTING AND
 10 REMITTING SALES AND USE TAXES TO THE STATE; TO PROVIDE THAT RETURN
 11 INFORMATION SUBMITTED TO ANY PARTY ACTING FOR AND ON BEHALF OF THE
 12 STATE OF MISSISSIPPI SHALL BE TREATED AS CONFIDENTIAL TAXPAYER
 13 INFORMATION; TO CREATE A LEGISLATIVE OVERSIGHT COMMITTEE; TO
 14 REQUIRE THAT THE STATE TAX COMMISSION SHALL REPORT ON THE STATUS
 15 OF THE MULTI-STATE DISCUSSIONS BY MARCH 1, 2002; AND FOR RELATED
 16 PURPOSES.

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

18 SECTION 1. This act may be cited as the "Streamlined Sales
 19 Tax System for the Twenty-first Century Act."

20 SECTION 2. The Legislature finds that:

21 (a) State and local tax systems should treat
 22 transactions in a competitively neutral manner.

23 (b) A simplified sales and use tax system that treats
 24 all transactions in a competitively neutral manner will strengthen
 25 and preserve the sales and use tax as vital state and local
 26 revenue sources and preserve state fiscal sovereignty.

27 (c) Remote sellers should not receive preferential tax
 28 treatment at the expense of local "main street" merchants, nor
 29 should such vendors be burdened with special, discriminatory or
 30 multiple taxes.

31 (d) The state should simplify sales and use taxes to
 32 reduce the administrative burden of collection.

33 (e) While states have the sovereign right to set their
 34 own tax policies, states working together have the opportunity to



35 develop a more simple, uniform and fair system of state sales and
36 use taxation without federal government mandates or interference.

37 SECTION 3. (1) The State Tax Commission shall enter into
38 discussions with states regarding development of a multi-state,
39 voluntary, streamlined system for sales and use tax collection and
40 administration. These discussions shall focus on a system that
41 would have the capability to determine whether the transaction is
42 taxable or tax exempt, the appropriate tax rate applied to the
43 transaction, and the total tax due on the transaction, and shall
44 provide a method for collecting and remitting sales and use taxes
45 to the state. Such system may provide compensation for the costs
46 of collecting and remitting sales and use taxes. Discussions
47 between the State Tax Commission and other states may include, but
48 are not limited to:

49 (a) The development of a "Joint Request for
50 Information" from potential public and private parties governing
51 the specifications for such system;

52 (b) The mechanism for compensating parties for the
53 development and operation of such system;

54 (c) Establishment of minimum statutory simplification
55 measures necessary for state participation in such system; and

56 (d) Measures to preserve confidentiality of taxpayer
57 information and privacy rights of consumers.

58 (2) Following the discussion provided for in subsection (1)
59 of this section, the State Tax Commission may proceed to issue a
60 joint request for information.

61 SECTION 4. Return information submitted to any party or
62 parties acting for and on behalf of the state shall be treated as
63 confidential taxpayer information. Disclosure of confidential
64 taxpayer information necessary under Section 3 of this act shall
65 be pursuant to a written agreement between the State Tax
66 Commission and the party or parties. Such party or parties shall



67 be bound by the same requirements of confidentiality as the State
68 Tax Commission under Section 27-65-81.

69 SECTION 5. There is hereby created a Legislative Oversight
70 Committee to consist of the Chairman of the Senate Finance
71 Committee and two (2) members appointed by the Lieutenant
72 Governor, and the Chairman of the Ways and Means Committee of the
73 House of Representatives and two (2) members appointed by the
74 Speaker of the House of Representatives.

75 The State Tax Commission shall provide testimony and
76 information as requested by the committee. The State Tax
77 Commission shall provide quarterly reports to the Governor,
78 Lieutenant Governor, Speaker of the House and to the members of
79 the Legislative Oversight Committee on the progress of multi-state
80 discussions.

81 SECTION 6. By March 1, 2002, the State Tax Commission shall
82 report to the Governor, Lieutenant Governor, Speaker of the House
83 of Representatives and to the members of the Legislative Oversight
84 Committee on the status of multi-state discussions and, if a
85 proposed system has been agreed upon by participating states,
86 shall also recommend whether the state should participate in such
87 system.

88 SECTION 7. This act shall take effect and be in force from
89 and after July 1, 2001.

