

107TH CONGRESS
1ST SESSION

H. RES. 151

Expressing the sense of the House of Representatives on the importance of promoting fair, efficient, and simple cross-border tax collection regimes that maintain market neutrality and promote free trade on all sales distribution channels within a globally networked economy.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2001

Mr. WELLER (for himself and Mr. MATSUI) submitted the following resolution; which was referred to the Committee on Ways and Means

RESOLUTION

Expressing the sense of the House of Representatives on the importance of promoting fair, efficient, and simple cross-border tax collection regimes that maintain market neutrality and promote free trade on all sales distribution channels within a globally networked economy.

Whereas the Internet has transformed our information and communication infrastructure, impacting every sector of the United States and global economy;

Whereas the Internet's emergence as an alternative sales distribution channel for virtually all goods and services has revolutionized the way business is conducted, the way consumers make choices, and the way transactions are completed;

Whereas the Internet's emergence has also caused governments to reexamine and modify their methods of communicating with and providing services to citizens, as well as the way in which they collect taxes from citizens;

Whereas the Internet's facilitation of international cross-border trade offers a revolutionary opportunity to network and expand national economies, creating a new global networked economy;

Whereas governments' tax policy decisions will greatly impact the potential growth of this emerging global networked economy;

Whereas tax policy decisions that create market distortions, discourage transacting business through the Internet, or impose greater administrative burdens on nonresident sellers than on local sellers could stunt the potential growth of the global networked economy, denying citizens of nations worldwide the opportunity to enjoy higher standards of living resulting from economic growth and prosperity; and

Whereas tax policy decisions that maintain market neutrality and provide for simple, efficient and fair tax rules that balance sellers' need for certainty with governments' need to collect revenues to fund services will promote rather than stifle the emergence of the new global networked economy: Now, therefore, be it

- 1 *Resolved*, That it is the sense of the House of Rep-
- 2 resentatives that—
- 3 (1) the Secretary of the Treasury should
- 4 proactively seek to identify and resolve tax policy

1 issues that will globally impact cross-border trade
2 through the Internet; and

3 (2) the United States should work in good faith
4 with our trading partners to ensure that any tax col-
5 lection regimes that attempt to impose tax collection
6 obligations on sellers outside the borders of the tax-
7 ing jurisdiction promote the continued growth of
8 electronic commerce by—

9 (A) imposing no greater administrative
10 burdens or compliance obligations on Internet
11 sellers than on any other seller;

12 (B) providing simple and clear rules that
13 allow the seller to identify, with certainty, the
14 amount of the tax that must be collected, and
15 that limit a seller's liability in situations where
16 the seller has made commercially reasonable ef-
17 forts to determine the correct tax;

18 (C) allowing sellers to rely on customer-
19 provided information available during the
20 course of a transaction to determine the appro-
21 priate taxing jurisdiction;

22 (D) taxing Internet sales the same as simi-
23 lar products sold through traditional, physical
24 distribution channels, including applying the

1 same tax rates to online sales and extending ex-
2 emptions and thresholds to online sales; and
3 (E) incorporating rules that require sellers
4 and governments to respect the privacy inter-
5 ests of consumers.

