

115TH CONGRESS
2D SESSION

H. R. 6724

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2018

Mr. GIBBS (for himself and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Businesses
5 from Burdensome Compliance Cost Act of 2018”.

1 **SEC. 2. LIMITATION ON AUTHORITY OF STATES TO RE-**
2 **QUIRE REMOTE SELLERS TO COLLECT TAXES**
3 **AND FEES OWED BY PURCHASERS OF GOODS**
4 **AND SERVICES.**

5 (a) LIMITATION.—Except as provided in subsection
6 (b), a State may not require a remote seller—

7 (1) to collect a tax or fee owed by a purchaser
8 then located in such State incident to the purchase
9 of a good or service from such seller; or

10 (2) to collect information incident to the pur-
11 chase of a such good or service from such seller by
12 such purchaser,

13 if such seller does not have a physical presence in such
14 State at the time of such purchase.

15 (b) EXCEPTION.—Subsection (a) shall not apply with
16 respect to the purchase of a good or service if—

17 (1) such purchase occurs after the effective date
18 of this Act;

19 (2) the tax or fee described in such sub-
20 section—

21 (A) is imposed only on a purchaser pursu-
22 ant to a statute then in effect in the State in
23 which the purchaser is located at the time of
24 such purchase; and

25 (B) is also payable incident to purchases
26 throughout such State of such good or service,

1 and payable at a uniform rate that does not ex-
2 ceed the combined rate of the State and local
3 taxes and fees payable by purchasers in such
4 State of such good or service from sellers phys-
5 ically present in such State at the time of such
6 purchases; and

7 (3) such statute does not require a remote sell-
8 er—

9 (A) to remit to more than a single location
10 in such State, taxes and fees owed by pur-
11 chasers then located in such State and collected
12 by such seller; or

13 (B) to provide to such State any informa-
14 tion about such purchasers; other than—

15 (i) the zip code areas in which such
16 purchasers were located in such State at
17 the time of the purchases; and

18 (ii) the aggregate amount of such
19 taxes or fees collected by such seller owed
20 by such purchasers in a particular zip code
21 area.

22 **SEC. 3. PROHIBITION OF AUTHORITY OF SUBDIVISIONS OF**
23 **STATES.**

24 A subdivision of a State may not require a remote
25 seller—

- 1 (1) to collect a tax or fee owed by a purchaser
2 then located in such State (or in such subdivision)
3 incident to the purchase of a good or service from
4 such seller; or
- 5 (2) to collect information incident to such pur-
6 chase.

7 **SEC. 4. DEFINITIONS.**

8 For purposes of this Act:

- 9 (1) REMOTE SELLER.—The term “remote sell-
10 er” means a person that sells a good or service and
11 that does not have a physical presence in the State
12 in which purchaser is located at the time the pur-
13 chase of such good or service occurs.
- 14 (2) STATE.—The term “State” means any of
15 the several States, the District of Columbia, or a
16 commonwealth, territory, or possession of the United
17 States.

18 **SEC. 5. EFFECTIVE DATE.**

19 This Act shall take effect on January 1, 2019, and
20 shall apply with respect to purchases that occur on and
21 after such date.

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