Presented by: Mayor Botelho
Introduced: 06/05/89
Drafted by: B.J.B.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1383

A RESOLUTION URGING THE ALASKA CONGRESSIONAL DELEGATION AND THE ALASKA MUNICIPAL LEAGUE TO SUPPORT THE ADOPTION OF FEDERAL LEGISLATION AUTHORIZING STATE GOVERNMENTS TO REQUIRE OUT-OF-STATE RETAILERS TO COLLECT STATE AND LOCAL SALES TAXES ON INTERSTATE MAIL-ORDER SALES.

WHEREAS, the 1967 decision of the United States Supreme Court in National Bellas Hess v. Illinois Department of Revenue prohibits state and local governments from requiring out-of-state retailers to collect sales taxes on interstate mail-order sales, and

WHEREAS, as interstate mail-order sales have become increasingly sophisticated, sales have soared and it has been estimated that state and local governments are annually losing approximately $2.4 billion and $600 million, respectively, because they are unable to collect the sales taxes, and it is projected that these figures will increase as mail-order sales are on the rise, and

WHEREAS, legislation has been introduced in the U.S. House of Representatives, H.R. 2230 entitled the "Equity in Interstate Competition Act of 1989," which as currently drafted, would allow states to require the collection of state sales taxes and certain local sales taxes on interstate mail-order sales by large mail-order companies, and

WHEREAS, such legislation will allow local merchants and retailers to remain competitive with out-of-state retailers, and will entail only minimal administrative responsibilities for such retailers, and

WHEREAS, constitutional scholars have reviewed the proposed legislation and have determined that, in their view, the legislation is constitutional, and

WHEREAS, the National League of Cities, the National Association of Counties, the U.S. Conference of Mayors, the National Governors Association, and the National Conference of State Legislatures all support the adoption of federal legislation which would authorize states to require out-of-state retailers to collect state and local sales taxes on interstate mail-order sales;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Assembly urges the Alaska Congressional delegation and the Alaska Municipal League to support the adoption of federal legislation which

(a) allows state governments to require out-of-state retailers to collect state and local sales taxes on interstate mail-order sales;

(b) provides for an equitable distribution of local sales tax proceeds to local governments; and

(c) accommodates the diversity of state and local sales tax systems throughout the United States.

2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 5th day of June, 1989.

Mayor

Attest:

Clerk