

## House Judiciary Committee Releases Principles on Internet Sales Tax

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**Washington, D.C.** – Today the House Judiciary Committee released basic principles pertaining to the issue of Internet sales tax. To develop these principles, the Committee received input directly from taxpayers, industry and trade groups, and representatives of state and local governments. The principles are intended to guide discussion on this issue and spark creative solutions. Chairman Bob Goodlatte (R-Va.) and Subcommittee on Regulatory Reform, Commercial and Antitrust Law Chairman Spencer Bachus (R-Ala.) issued the following statements.

**Chairman Goodlatte:** “Americans across the country are affected by the issue of Internet sales tax whether they are consumers or business owners. The aim of the principles is to provide a starting point for discussion in the House of Representatives. I greatly look forward to hearing fresh approaches to this issue and continuing the discussion.”

**Subcommittee Chairman Bachus:** “The principles issued by Chairman Goodlatte provide a thoughtful framework for discussion on the Internet sales tax issue. As chair of the subcommittee with jurisdiction over Internet tax issues, I appreciate that the Chairman is giving it serious consideration.”

### Basic Principles on Remote Sales Tax

1. **Tax Relief** – Using the Internet should not create new or discriminatory taxes not faced in the offline world. Nor should any fresh precedent be created for other areas of interstate taxation by States.
2. **Tech Neutrality** – Brick & Mortar, Exclusively Online, and Brick & Click businesses should all be on equal footing. The sales tax compliance burden on online Internet sellers should not be less, but neither should it be greater than that on similarly situated offline businesses.
3. **No Regulation Without Representation** – Those who would bear state taxation, regulation and compliance burdens should have direct recourse to protest unfair, unwise or discriminatory rates and enforcement.
4. **Simplicity** – Governments should not stifle businesses by shifting onerous compliance requirements onto them; laws should be so simple and compliance so inexpensive and reliable as to render a small business exemption unnecessary.
5. **Tax Competition** – Governments should be encouraged to compete with one another to keep tax rates low and American businesses should not be disadvantaged vis-a-vis their foreign competitors.
6. **States' Rights** – States should be sovereign within their physical boundaries. In addition, the federal government should not mandate that States impose any sales tax compliance burdens.
7. **Privacy Rights** – Sensitive customer data must be protected.