

RESOLUTION NO. 260

**A RESOLUTION PROMOTING FAIR COMMERCE BY
ADVOCATING FOR STATE AND LOCAL GOVERNMENTS
TO ESTABLISH AND COLLECT LEGALLY DUE SALES TAXES
ON GOODS AND SERVICES SOLD THROUGH ANY
TRANSACTION MEDIUM**

WHEREAS, the use of new electronic technologies, including the Internet, as a way to conduct sales goods and services is accelerating; and

WHEREAS, out-of-state sales of goods conducted via the Internet, mail order and phone, under many circumstances, are not subject to existing sales and use taxes imposed by the states and local governments in which the purchaser of such goods resides; and

WHEREAS, the inequity in price experienced by not requiring the collection of taxes on the sale of such goods creates a competitive disadvantage and unequal treatment between merchants who sell from established storefronts and those who sell from electronic stores; and

WHEREAS, this migration of sales and resulting erosion of tax revenues will restrict the ability of local governments, schools, and states to collect taxes which finance essential public services including but not limited to police, fire, public works and education; and

WHEREAS, out-of-state sales have an adverse impact on local infrastructure and on the continued survival of retail businesses in our city; and

WHEREAS, municipal governments have long expressed concern about the loss of municipal revenue due to out-of-state sales via mail order; and

WHEREAS, these out-of-state sales are freely made as a voluntary business decision to expand or establish business electronically or from remote locations; and

WHEREAS, 99% of the goods and services purchased over the Internet are bought using electronic money transfers, as exemplified by the use of credit cards, which pre-establishes the ability to identify and collect taxes in nondiscriminatory and efficient ways; and

WHEREAS, the primary barrier to creating a nondiscriminatory collection requirement is the Supreme Court's judgement that only Congress should determine a collection requirement that would not unduly burden interstate commerce; and

WHEREAS, the National League of Cities, in partnership with the six national organizations representing state and local governments, has adopted a joint statement of principles for making electronic commerce fair which calls for:

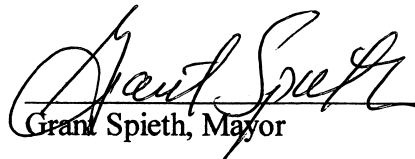
1. Equal treatment of all sales transactions whether that transaction is done in person, on the telephone, by mail, or on the Internet;
2. A federal law authorizing state and local governments to require out-of-state sales to be subject to the collection and remittance of sales and use taxes;
3. Protection from federal preemption of state and local authority to determine their own tax policies;
4. Cooperative efforts to simplify state and local sales and use tax systems and the compliance burdens those systems place on out-of-state sales; and

WHEREAS, the federal government has created the Advisory Commission on Electronic Commerce to examine these issues;

NOW, THEREFORE, BE IT RESOLVED that the City of Columbus, Kansas urges the Advisory Commission on Electronic Commerce to recommend that Congress enact and the President sign legislation authorizing state and local governments to establish and collect legally due sales and use taxes on goods and services sold through any transaction medium, regardless of the actual purchaser's state, and requires states to distribute tax revenues to cities or other units of local government pursuant to precedent and applicable state law;

BE IT FURTHER RESOLVED that the City of Columbus, Kansas encourages the Kansas Congressional Delegation to act to protect state and local taxing authority over all remote sales including goods sold via Internet, mail order and telephone.

Passed this 1st day of May, 2000, the City Council of the City of Columbus, Kansas.


Grant Spieth, Mayor