**South Carolina General Assembly**

119th Session, 2011-2012

**S. 559**

**STATUS INFORMATION**

Concurrent Resolution

Sponsors: Senators Cromer and Alexander

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Introduced in the Senate on February 15, 2011

Currently residing in the Senate Committee on **Finance**

Summary: Request Congress to enact similar legislation to the Main Street Fairness Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/15/2011 Senate Introduced ([Senate Journal‑page 4](file:///h:\sj%20archive\2011\02-15-11.docx))

2/15/2011 Senate Referred to Committee on **Finance** ([Senate Journal‑page 4](file:///h:\sj%20archive\2011\02-15-11.docx))

**VERSIONS OF THIS BILL**

[2/15/2011](file:///p:\pprever\2011-12\559_20110215.docx)

**A** **CONCURRENT RESOLUTION**

TO MEMORIALIZE CONGRESS TO ENACT LEGISLATION SIMILAR TO THE MAIN STREET FAIRNESS ACT SO AS TO ALLOW STATES TO CHOOSE WHETHER TO REQUIRE ONLINE RETAILERS TO COLLECT AND REMIT SALES TAX, THEREBY NOT PLACING MAIN STREET VENDORS AT A COMPETITIVE DISADVANTAGE.

Whereas, according to the United States Bureau of the Census, e‑commerce sales have grown from nine hundred ninety‑five billion dollars in 1999 to two thousand three hundred eighty‑five billion dollars by 2006; and

Whereas, between 2007 and 2012, South Carolina will have likely lost five hundred sixty nine million dollars in state and local sales tax revenue from otherwise taxable e‑commerce purchases; and

Whereas, between 2007 and 2012, nationally, states will have likely lost fifty‑two billion dollars in state and local sales tax revenue from otherwise taxable e‑commerce purchases; and

Whereas, the concept of substantial nexus, originating from the Dormant Commerce Clause, allows online retailers to avoid collecting sales tax from out of state consumers, and place retailers on local Main Street at a competitive disadvantage because Main Street vendors must charge a higher price for their goods because of state and local sales taxes; and

Whereas, the South Carolina Taxation Realignment Commission not only found this to be an issue of fundamental fairness, but one that is also negatively impacting the stability of the State’s current sales tax structure, where today only thirty‑eight percent of all retail sales are subject to tax, a fact exacerbated, at least in some part by, a growing shift away from brick and mortar to internet purchases; and

Whereas, although several states are considering enacting laws to attempt to require online retailers to collect sales tax, the most effective and efficient way to address this growing issue is Congressional intervention that would set reasonable ground rules under which a greater degree of fairness between the tax treatment of Main Street vendors and remote internet sellers could be fostered; and

Whereas, Clause 3, Section 8, Article I of the Constitution expressly authorizes Congress to “regulate Commerce with foreign Nations, and among the several States”; and

Whereas, Congress has plenary power to regulate commerce among the States and may authorize state actions that burden interstate commerce; and

Whereas, without Congressional action, online retailers will continue to avoid collecting sales tax and put Main Street retailers at a competitive disadvantage; and

Whereas, the Main Street Fairness Act, H.R. 5660 of 2010, and other similar legislation, provides Congressional authority that allows states to choose to adopt a system that requires online retailers to collect and remit sales tax the same way that businesses on local Main Streets do now. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the members of the General Assembly of the State of South Carolina memorialize Congress to enact legislation similar to the Main Street Fairness Act so as to allow states to choose whether to require online retailers to collect and remit sales tax, thereby not placing Main Street vendors at a competitive disadvantage.

Be it further resolved that a copy of this resolution be forwarded to each member of the South Carolina Congressional Delegation.

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