

13-0002-569

APR 30 2013

RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, due to a 1992 Supreme Court ruling (Quill Corp vs. North Dakota), states have been unable to enforce their own sales and use tax laws on sales by out-of-state businesses, catalogues, and online sellers; and

WHEREAS, this situation has created a disadvantage for brick and mortar businesses and has led to greater confusion and further distortion of the marketplace; and

WHEREAS, on February 14, 2013, Representative Steve Womack introduced the Marketplace Fairness Act of 2013, and subsequently, similar legislation was introduced (S. 336 and S. 743); and

WHEREAS, the bills do not impose a new tax, but rather provide states and localities with a mechanism to require the collection of sales and use taxes on Internet and mail-order sales; and

WHEREAS, while electronic commerce creates new marketplaces, it has also put traditional retail outlets at an unfair disadvantage because of outdated and inequitable tax and regulatory systems; and

WHEREAS, the United States Congress has the ability to enable state and local governments to require sellers to collect sales and use taxes from their customers if they do not have a physical presence in their jurisdiction; and

WHEREAS, the proposed bills would authorize states to require all sellers making remote sales to collect and remit sales and use taxes regardless of the location of the seller, if such state implements a simplified system for administration of sales and use tax collection for remote sellers; and

WHEREAS, the proposed bills would benefit many brick and mortar businesses given their disadvantage for having to collect taxes whereas online sellers do not; and

WHEREAS, in the previous Congress, the City supported S. 1832 and H.R. 3179 which also sought to level the playing field for brick and mortar businesses by empowering states to collect sales and use taxes;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles, hereby includes in its 2013-2014 Federal Legislative Program, SUPPORT of the Marketplace Fairness Act (H.R. 684, S 363 and S 743) to allow qualifying states to establish a system to collect sales and use taxes from online, catalog and other remote sellers.

PRESENTED BY Bernard C. Parks
BERNARD C. PARKS
Councilmember, 8th District

SECONDED BY [Signature]

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ORIGINAL