

SENATE RESOLUTION No. 46

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Urges Congress to pass “Online Sales Simplicity and Small Business Relief Act of 2018.”

CURRENT VERSION OF TEXT

As introduced.



1 **A SENATE RESOLUTION** urging Congress to pass the “Online Sales
2 Simplicity and Small Business Relief Act of 2018.”
3
4 **WHEREAS**, The United States Supreme Court decided in South Dakota
5 v. Wayfair, Inc., 138 S. Ct. 2080 (2018) to overturn previous
6 rulings that required a business to have a physical presence in a
7 state in order to be required to collect a sales tax for that state; and
8 **WHEREAS**, The decision in South Dakota v. Wayfair, Inc. greatly
9 impacted remote sellers, who are typically Internet-based sellers
10 that make a retail sale of tangible property, digital products, or
11 taxable services into a state in which that seller has no physical
12 presence; and
13 **WHEREAS**, The decision led to at least 31 states, including New
14 Jersey, to enact laws requiring remote sellers to collect sales tax for
15 states where the sellers conduct business; and
16 **WHEREAS**, The New Jersey law stipulates that the collection of sales
17 tax is required if a remote seller makes at least \$100,000 in gross
18 revenue annually or conducts a minimum of 200 transactions a year
19 with New Jersey-based consumers except if the seller uses a third-
20 party marketplace, such as eBay, which collects the sales tax; and
21 **WHEREAS**, Regulations from the New Jersey Division of Taxation that
22 were written as a result of the new law allow remote sellers to
23 register with the Streamlined Sales Tax Registration System to
24 remit sales tax payments to the State; and
25 **WHEREAS**, Sales tax collection creates a revenue stream for states but
26 these laws vary from state to state, creating a patchwork of statutory
27 mandates that can be confusing and unwieldy for sellers to comply
28 with and that interfere with shopping for consumers; and
29 **WHEREAS**, Clarity and uniformity is needed to streamline sales tax
30 collection and retain the ease and simplicity of conducting business
31 on the Internet for remote sellers and consumers; and
32 **WHEREAS**, The United States House of Representatives has introduced
33 the “Online Sales Simplicity and Small Business Relief Act of
34 2019”; and
35 **WHEREAS**, The bill would limit the collection of sales tax to
36 transactions occurring after January 1, 2019; and
37 **WHEREAS**, Under the bill, a remote seller would be exempt from
38 collecting sales tax until Congress approves an interstate compact
39 on sales tax collection if that remote seller has gross receipts of \$10
40 million or less during the year before the exemption becomes
41 effective; and
42 **WHEREAS**, A federal solution would alleviate confusion for remote
43 sellers and help foster a business-friendly environment in New
44 Jersey with minimal or no disruption to business operations; now,
45 therefore,
46
47 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

SR46 PENNACCHIO

1. This House urges Congress to pass the “Online Sales Simplicity and Small Business Relief Act of 2018” to ensure a straightforward and streamlined system is established by which remote sellers can collect sales tax payments and remit the collected payments to the appropriate states.

2. Copies of this resolution, as filed by the Secretary of the State, shall be transmitted by the Secretary of the Senate to the President and Vice President of the United States, the Speaker and Minority Leader of the United States House of Representatives, the Majority Leader and Minority Leader of the United States Senate, and each member of Congress elected from this State.

STATEMENT

This resolution urges the Congress of the United States to pass the “Online Sales Simplicity and Small Business Relief Act of 2018” to ensure a straightforward and streamlined system is established by which remote sellers can collect sales tax payments and remit the collected payments to appropriate states.

The United States Supreme Court ruled in South Dakota v. Wayfair, Inc. (2018) that a physical presence in a state was no longer required in order for a business to collect sales tax for that specific state. As a result of this decision, at least 31 states, including New Jersey, enacted laws requiring remote sellers to collect sales tax for remittance to the state. This has led to a patchwork of statutory mandates for remote sellers to comply with while conducting business in the United States. The federal solution provided in the “Online Sales Simplicity and Small Business Relief Act of 2018” would create uniformity and ease for remote sellers and consumers with minimal disruption to business operations, which helps foster a business-friendly environment in New Jersey.