



## Idaho House of Representatives

Democratic Leadership

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### **Democrats Fight to Resurrect Tax Fairness Bill**

**Republican leadership places interests of out-of-state online retailers over homegrown Idaho businesses**

**BOISE**— House Democrats continued to push for a hearing of HB 57, a bi-partisan bill that would enable more efficient and fair collection of sales taxes owed on Internet and catalog sales. Democrats initiated a procedural move on the House floor today to restart the legislative process for a bill that has broad business support and was supported in the House Revenue & Tax Committee. Instead, the majority of Republicans voted as a bloc to keep the bill locked up in the House Ways & Means Committee. The vote was 15 ayes, 54 nays for the motion.

"We owe it to locally owned businesses who play by the rules to engage in the Streamlined Sales and Use Tax Agreement," said House Minority Leader John Rusche. "More than anything, Idahoans want fair and equitable taxes and businesses want a level playing field to operate on. HB 57 would move us in that direction, allowing Idaho to participate in the negotiations amongst the states and establish a framework for collecting sales tax on Internet purchases."

Beginning the process of collecting sales and use tax on Internet sales—taxes that are already due and owed but rarely paid voluntarily—is a reasonable step that enjoys broad, popular support. The House Revenue and Taxation Committee voted 12-6 to introduce the bill, which was then promptly assigned to the House Ways & Means Committee as a way to delay action or effectively "kill" the legislation.

"We hope the Speaker will release the bill and allow the Legislature to carry out its duties in representing the citizens of the state," said Revenue and Taxation Committee member Rep. Bill Killen. "Without such action, we continue to force our homegrown businesses to operate at a 6% disadvantage compared with out-of-state online retailers. We shouldn't push this issue aside simply because we're worried about offending online retailers from outside of Idaho who complain about the 'hassle' of compliance."

Rusche noted that the Speaker's actions seemed unusual and inconsistent with the Idaho Legislature's notable tendency to send strong statements to the federal government. "We rarely hesitate to criticize or pressure the federal government on a broad range of issues. Why is it that when it comes to fairness and removing obstacles to Idaho business success, we'd prefer to remain silent rather than sending a strong signal to Washington, D.C. that Idaho is one of many states seeking reform of the current system?"

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