

## 2004 SESSION

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### HOUSE JOINT RESOLUTION NO. 176

*Establishing a joint subcommittee to study the impact of collecting remote sales taxes on the economy of the Commonwealth. Report.*

Agreed to by the House of Delegates, March 10, 2004

Agreed to by the Senate, March 9, 2004

WHEREAS, to simplify and facilitate taxation of interstate sales, there has been an ongoing study of the sales and use tax at the national level (known as the Streamlined Sales Tax Project) for the past several years; and

WHEREAS, an agreement among the states participating in the Project was finalized in November of 2002; and

WHEREAS, Virginia has participated in the Project only since June of 2002; and

WHEREAS, the impact on the Commonwealth's economy, especially small businesses, must be determined to avoid harming its economy; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the impact of collecting remote sales taxes on the economy of the Commonwealth. The joint subcommittee shall consist of 14 members that include five legislative members, six nonlegislative citizen members, and three ex officio members. Members shall be appointed as follows: three members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; two members of the Senate to be appointed by the Senate Committee on Rules; four nonlegislative citizen members with experience in e-commerce and Internet sales to be appointed by the Speaker of the House of Delegates; two nonlegislative citizen members with experience in accounting and collecting and remitting sales tax in multiple jurisdictions to be appointed by the Senate Committee on Rules; and the Secretaries of Finance, Technology, and Commerce and Trade to serve ex officio with nonvoting privileges. Nonlegislative citizen members shall be citizens of the Commonwealth of Virginia. The joint subcommittee shall elect a chairman and vice chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall determine the amount of revenue the Commonwealth would generate and the impact on small businesses within the Commonwealth if the Commonwealth collected taxes on remote sales; and the ability to use the lack of a requirement to collect remote sales as a marketing tool.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Department of Taxation and the Virginia Economic Development Partnership. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2004 interim, and the direct costs of this study shall not exceed \$7,400 without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the House members or a majority of the Senate members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee shall complete its meetings by November 30, 2004, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2005 Regular Session of the General Assembly for each year. The executive summary shall state whether the joint subcommittee intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or delay the period for the conduct of the study, or authorize additional meetings during the 2004 interim.

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