



NEWS

AMERICANS FOR TAX REFORM

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Nevada Legislators Move to Tax Internet Sales

--A change in NV state tax law would allow items sold on the internet to be taxed--

Washington D.C. – Those who enjoy buying products online tax free may have to start funding their state government with each purchase. This would occur if the proposal for reforming state tax laws to allow internet sales tax passes.

This internet tax proposal should not come as a surprise considering Nevada's last regular legislative session. While some of the tax increases were proposed as "temporary," studies show that "temporary" often turns into permanent. **"A tax increase is a tax increase, no matter how short a time it is proposed for," says Grover Norquist, founder of Americans for Tax Reform.**

The proposed ballot, if passed, would be unconstitutional because of the 2003 federal law that prohibits "Multiple or discriminatory taxes on electronic commerce..." It is clear that most legislators at the federal level have realized the importance of keeping the internet tax free.

Internet taxation has been an ongoing battle. Many lawmakers have sought to take advantage of this new market by introducing taxes for purchases made on the internet. However, more regulation of the internet market leads to a decrease in competition, which leads to higher prices. Moreover, when internet taxes are applied in one state, but not in another; the business, entities and persons who are negatively affected will leave the state. This results in a loss of revenue for the state in taxes, in addition to hurting the overall state economy. Small businesses are particularly hurt when much of their business is conducted online.

"Why anyone would vote to spend more of their hard-earned money is beyond me. Taxpayers realize that an initiative for their state government to tax more of their money is a horrible idea, comments Norquist."

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.