



AMERICANS for TAX REFORM

Grover G. Norquist
President

February 21, 2008

Dear Florida State Legislator,

I urge you to reject legislative efforts to conform state law to provisions set forth by the Streamlined Sales and Use Tax Agreement (SSUTA). Florida cannot afford to comply with the SSUTA and its stealthy so-called "tax simplification" effort.

Taxing interstate commerce is illegal. A common claim of big spenders is that taxing "remote sales" is already legal, and that efforts to bring out-of-state businesses into compliance with current law are legally justified. However, under *Quill v. North Dakota*, the U.S. Supreme Court ruled that requiring remote sellers to collect the sales tax is an undue burden on interstate commerce. Until the United States Congress passes legislation allowing states to tax interstate commerce or *Quill vs. North Dakota* is overturned, a state cannot require sellers to collect its sales tax unless they are physically located in the state.

The SSUTA plan will add a new tax and regulatory burden on every business in America. Supporters of Internet taxation also claim that SSUTA will "simplify" and "streamline" the sales and use tax system. However, implementation of SSUTA would preserve many of the current complexities of calculating and collecting sales taxes and would force merchants to comply with thousands of different tax rates and exceptions. The plan would even create fees not mentioned, including taxes on shipping and handling.

The real motivation of SSUTA is to target businesses that are not physically located in the state and to export a state's tax burden.

SSUTA is a back-door tax increase. The implications of SSUTA go beyond the direct tax increase in coming years. Like any cartel, SSUTA would allow states to collude to destroy tax competition. The incentive to keep tax rates moderate or foster competitiveness would be gone, and the pressures to raise taxes would lose their counter-balance.

I urge you to reject efforts to conform state law to the provisions set forth in the SSUTA.

Do not turn your back on taxpayers now; they trust in you to protect them from the ongoing burden of tax increases. Avoid slowing economic growth in Florida by voting against legislation that would bring the state into this deceitful compliance.

Before you cast your vote, please review the attached policy brief that rebuts every claim made by the streamlined tax proposal. I urge you to condemn any plan that would tax the electronic marketplace, where everyone participates as equals.

Onward,

Grover Norquist