

**RESOLUTION ON TAXATION OF REMOTE
SALES AND DEVELOPING TECHNOLOGIES**

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: John L. Valentine

This joint resolution of the Legislature encourages the Utah Tax Review Commission to study and develop a plan to minimize taxes and remove burdens imposed by the taxes on persons using developing technologies. The Legislature urges that this study and plan incorporate the principles of opposing certain taxes, and minimizing the application of taxes and administrative burdens on business conducted through the use of developing technologies. The Legislature authorizes the plan developed by the Utah Tax Review Commission to provide for the imposition of sales or use taxes on a transaction conducted through the use of developing technologies to the extent that the transaction would be taxable if the transaction was not conducted through the use of developing technologies.

Be it resolved by the Legislature of the state of Utah:

WHEREAS, the use of developing technology, including computers, electronic transmission of data, the Internet, and e-commerce, is a vital economic engine in increasing efficiency and in dramatically improving transmission and sharing of information;

WHEREAS, the goal of Utah tax policy is to foster economic growth, and to minimize burdens on the development and use of developing technologies;

WHEREAS, under an Executive Order signed by Governor Michael O. Leavitt on January 18, 2000, the Utah Tax Review Commission is requested and directed to study and develop a plan for tax simplification;

WHEREAS, it is the policy of this Legislature to oppose taxation of the Internet itself, including taxes on access to the Internet, bit taxes, discriminatory taxes, or multiple taxes;

WHEREAS, it is the policy of this Legislature to oppose the introduction of new taxes on such developing technology;

WHEREAS, it is the policy of this Legislature to oppose the introduction of any new tax on remote sales; and

WHEREAS, it is the policy of this Legislature to foster and to encourage the growth of the economy through the use of developing technologies, including making positive efforts to remove barriers and burdens imposed by the tax system:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah encourages the Utah Tax Review Commission to study and develop a plan to minimize and remove burdens imposed by taxes on persons using developing technologies in business and for other purposes, and encourages the Utah Tax Review Commission to make regular reports on the study and plan to the Revenue and Taxation Interim Committee.

BE IT FURTHER RESOLVED that the Utah Tax Review Commission be directed to incorporate into this study the principles expressed in this resolution.

BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review Commission not include any new taxes imposed on providing Internet services or on providing electronic communications.

BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review Commission not recommend the application of sales and use taxes to electronic data, information, or services.

BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review Commission minimize the application of taxes to and administrative burdens on business conducted through the use of developing technologies.

BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review Commission may provide for the imposition of sales or use taxes on a transaction conducted through the use of developing technologies involving tangible personal property or a service to the extent that the transaction would be taxable if the transaction was not conducted through the use of developing technologies.