

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 ^h [new] certain ^h taxes, ^h [opposing the application of sales and use] [taxes on providing Internet services or on electronic communications,] ^h and minimizing the application of taxes and administrative burdens on business conducted through the use of developing technologies. ^h 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. ^h

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, **§ [new 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



28 on remote sales; and

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

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

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

39 BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review
40 Commission not include ~~§ [or recommend new taxes, including] §~~ any **§ NEW §** taxes imposed on
40a providing
41 Internet services or on providing electronic communications.

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

45 BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review
46 Commission minimize the application of taxes **h TO h** and administrative burdens **h** [~~including~~
46a **the**
47 **application of sales and use taxes, to**] **ON h** business conducted through the use of developing
48 technologies.

48a **h BE IT FURTHER RESOLVED that the plan developed by the Utah Tax Review Commission**
48b **may provide for the imposition of sales or use taxes on a transaction conducted through the use of**
48c **developing technologies involving tangible personal property or a service to the extent that the**
48d **transaction would be taxable if the transaction was not conducted through the use of developing**
48e **technologies. h**

Legislative Review Note
as of 2-5-01 3:45 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel