

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

3 2001 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: John L. Valentine**

6 **This joint resolution of the Legislature encourages the Utah Tax Review Commission to**
7 **study and develop a plan to minimize taxes and remove burdens imposed by the taxes on**
8 **persons using developing technologies. The Legislature urges that this study and plan**
9 **incorporate the principles of opposing new taxes, opposing the application of sales and use**
10 **taxes on providing Internet services or on electronic communications, and minimizing the**
11 **application of taxes and administrative burdens on business conducted through the use of**
12 **developing technologies.**

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

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

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

19 WHEREAS, under an Executive Order signed by Governor Michael O. Leavitt on January
20 18, 2000, the Utah Tax Review Commission is requested and directed to study and develop a plan
21 for tax simplification;

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

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

27 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 taxes imposed on 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 and administrative burdens, including the
47 application of sales and use taxes, to business conducted through the use of developing
48 technologies.

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