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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE RESOLUTION

No. 272 Session of  
2013

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INTRODUCED BY COSTA, BREWSTER, STACK, FERLO, SMITH, FONTANA,  
HUGHES, YUDICHAK, MENSCH, SCHWANK, KASUNIC, FARNESE,  
TARTAGLIONE, WILEY AND SOLOBAY, NOVEMBER 27, 2013

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REFERRED TO FINANCE, NOVEMBER 27, 2013

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A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to  
2 complete a study on collecting sales tax and to report its  
3 findings.

4 WHEREAS, The Internet has in part provided access for  
5 consumers to virtually every retail establishment in the United  
6 States; and

7 WHEREAS, Although Pennsylvania currently has a sales and use  
8 tax that requires the voluntary remittance of taxes for out-of-  
9 State purchases, enforcement of this provision is nearly  
10 impossible; and

11 WHEREAS, In 2010, retail real estate accounted for 520,300  
12 jobs in Pennsylvania, representing 9.3% of total employment in  
13 this Commonwealth; and

14 WHEREAS, Retail centers collected \$5.3 billion in State sales  
15 tax revenue last year in addition to generating other revenue  
16 from business and property taxes; and

17 WHEREAS, Some studies have suggested that Pennsylvania may  
18 see revenues as high as \$706 million from collecting a sales and

1 use tax on Internet sales while other estimates indicate that  
2 the overall net tax addition could have been between \$246 and  
3 \$398 million for calendar year 2012; and

4 WHEREAS, Many states have voluntarily become signatories to  
5 the multistate Streamlined Sales and Use Tax Agreement that  
6 authorizes enhanced procedures for the collection and remittance  
7 of sales taxes across state lines by retailers; and

8 WHEREAS, Implementation of the Streamlined Sales and Use Tax  
9 Agreement between the states makes it easier for all states with  
10 a sales tax to collect such taxes from out-of-State retailers;  
11 and

12 WHEREAS, The Department of Revenue is currently monitoring  
13 and preparing for the implementation of such Federal  
14 legislation; therefore be it

15 RESOLVED, That the Senate direct the Legislative Budget and  
16 Finance Committee to:

17 (1) Determine if Pennsylvania retailers are currently  
18 obligated to pay sales tax to other states who are  
19 signatories to the Streamlined Sales and Use Tax Agreement  
20 and the aggregate amount of such sales tax remittance.

21 (2) Determine the obligations and tax burden of  
22 Pennsylvania retailers if Pennsylvania would become a  
23 signatory to the agreement.

24 (3) Estimate the amount of tax revenue that may be  
25 collected by the Department of Revenue if Pennsylvania would  
26 become a signatory to the agreement.

27 (4) Determine the additional amount of property tax  
28 relief if 50% of the additional revenues collected under  
29 interstate sales tax collection were deposited in the  
30 Property Tax Relief Fund under 4 Pa.C.S. § 1409 and disbursed

1 under the formula currently provided.

2 (5) Determine the amount of tuition assistance in the  
3 form of grants that could be made available to Pennsylvania  
4 residents through the Pennsylvania Higher Education  
5 Assistance Agency (PHEAA) for postsecondary educational  
6 assistance if 50% of the additional revenues collected under  
7 interstate sales tax collection were deposited with PHEAA and  
8 disbursed to eligible residents;

9 and be it further

10 RESOLVED, That the Legislative Budget and Finance Committee  
11 issue its report by December 31, 2014.