H. R. 115

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GIBBS (for himself and ____ ) introduced the following bill; which was referred to the Committee on __________________________

A BILL

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Businesses from Burdensome Compliance Cost Act of 2018”.

#DocumentClassification#
SEC. 2. LIMITATION ON AUTHORITY OF STATES TO REQUIRE REMOTE SELLERS TO COLLECT TAXES AND FEES OWED BY PURCHASERS OF GOODS AND SERVICES.

(a) LIMITATION.—Except as provided in subsection (b), a State may not require a remote seller—

(1) to collect a tax or fee owed by a purchaser then located in such State incident to the purchase of a good or service from such seller, or

(2) to collect information incident to the purchase of a such good or service from such seller by such purchaser,

if such seller does not have a physical presence in such State at the time of such purchase.

(b) EXCEPTION.—Subsection (a) shall not apply with respect to the purchase of a good or service if—

(1) such purchase occurs after the effective date of this Act,

(2) the tax or fee described in such subsection—

(A) is imposed only on a purchaser pursuant to a statute then in effect in the State in which the purchaser is located at the time of such purchase, and

(B) is also payable incident to purchases throughout such State of such good or service,
and payable at a uniform rate that does not exceed the combined rate of the State and local taxes and fees payable by purchasers in such State of such good or service from sellers physically present in such State at the time of such purchases, and

(3) such statute does not require a remote seller—

(A) to remit to more than a single location in such State, taxes and fees owed by purchasers then located in such State and collected by such seller, or

(B) to provide to such State any information about such purchasers, other than—

(i) the zip code areas in which such purchasers were located in such State at the time of the purchases, and

(ii) the aggregate amount of such taxes or fees collected by such seller owed by such purchasers in a particular zip code area.

SEC. 3. PROHIBITION OF AUTHORITY OF SUBDIVISIONS OF STATES.

A subdivision of a State may not require a remote seller—
(1) to collect a tax or fee owed by a purchaser then located in such State (or in such subdivision) incident to the purchase of a good or service from such seller, or

(2) to collect information incident to such purchase.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) REMOTE SELLER.—The term “remote seller” means a person that sells a good or service and that does not have a physical presence in the State in which purchaser is located at the time the purchase of such good or service occurs.

(2) STATE.—The term “State” means any of the several States, the District of Columbia, or a commonwealth, territory, or possession of the United States.

SEC. 5. EFFECTIVE DATE.

This Act shall take effect on January 1, 2019, and shall apply with respect to purchases that occur on and after such date.