

ADDINGTON TORTURES TRUTH ON TAXES

Still up to his old tricks, Heritage Foundation vice president David Addington has launched yet another disinformation campaign against American States attempting to collect legally owed internet sales taxes. It's one thing to dislike paying taxes but it's simply wrong to distort the truth when trying to come up with justifications for your position.

Mr. Addington misreads history and misleads his readers when he suggests that the Supreme Court's Quill decision set forth a "stable set of rules" for internet businesses. The Court's actual opinion left open a tax-collection loophole but also noted that only Congress can establish the rules of interstate commerce. The first fact Addington overlooks is that the Quill decision involved old-fashioned pen-and-paper catalog sales, not internet sales, so today's multi-billion dollar online markets were not under consideration in Quill. Also ignored by Mr. Addington is the easy, inexpensive technology available today that calculates sales taxes legally owed by online customers (and not the internet business itself) as fast as you can enter your "free shipping" address.

The Marketplace Fairness Act (S. 743) is the result of over a decade of work by its sponsors to take into account the legal responsibilities of state taxpayers and the Congressional duty to establish fair and uniform rules to regulate interstate commerce. Even then, its sponsors have bent over backwards to avoid imposing a burden on small internet retailers by offering an exemption for businesses that do less than one million dollars per year in online sales. This is an exemption, by the way, that does not exist for competing brick-and-mortar retailers.

Mr. Addington seems to think that the 21 years since the Quill decision establishes some sort of statute of limitations barring Congress from ever executing its constitutional duties. In fact, after 21 years it's time to declare internet sales fully mature and start treating them like the other adults in the market.