

RESOLUTION NO. 03-00

A RESOLUTION OPPOSING FEDERAL LEGISLATION PROHIBITING THE COLLECTION OF STATE AND LOCAL SALES AND USE TAXES ON REMOTE SALES.

WHEREAS, currently, neither internet nor catalog sales taxes are being collected on interstate sales when the vendor lacks physical presence in Colorado, because requiring such vendors to do so is foreclosed by United States Supreme Court decisions holding that such requirements would burden interstate commerce; and

WHEREAS, state and local associations at the national level and local governments in Colorado are working to simplify sales and use taxes to minimize collection burdens while protecting this vital revenue source; and

WHEREAS, local retailers are put at an unfair disadvantage by remote vendors who have no responsibility to collect and remit sales and use taxes; and

WHEREAS, the City of Grand Junction is dependent upon local collection of sales and use taxes with more than 70% of its general fund reliant thereon and could realize a loss of as much as \$5 million by 2003 an eight fold increase from 1998; and

WHEREAS, it is estimated that by 2003, sales from the Internet alone will reach 6% of total retail spending and continue to increase into the future; and

WHEREAS, revenues to the state and local governments will fall accordingly and create a shortage in funds to provide needed public services and infrastructure; and

WHEREAS, although these are not new taxes, because taxpayers are presently obligated to pay sales or use taxes on remote sales regardless of whether the vendor is obligated to collect such taxes, it is difficult and inconvenient for the governmental entity to collect such taxes;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

Section 1. That the Council of Grand Junction urges the Congress of the United States of America to oppose legislation restricting state and local sales and use taxes;

Section 2. That a copy of this Resolution be transmitted to all members of the Colorado Congressional Delegation, the Governor of the State of Colorado, and the Colorado Municipal League.

ADOPTED AND APPROVED THIS 5th day of January, 2000.

ATTEST:

APPROVED:

/s/ Stephanie Nye
City Clerk

/s/ Gene Kinsey
President of the Council