



FOR IMMEDIATE RELEASE
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**Floor Statement of Senator Max Baucus (D-Mont.)
In Opposition to the Internet Sales Tax Amendment**
As prepared for delivery

Mr. President, I rise today to oppose an amendment introduced by my colleagues, Senator Durbin and Senator Enzi. That amendment would let states force businesses in other states to collect sales taxes on their behalf.

First, I would like to express my regret that this issue has been brought to the floor today without being thoughtfully considered during regular committee order.

Ranking Member Hatch and I agree that this issue should first be addressed in the Finance Committee — the committee of jurisdiction. But instead of having an open debate in committee, this amendment attempts to bypass regular order. We oppose this amendment on those grounds.

More importantly, this amendment is bad for Montana businesses, and anything that doesn't work for Montana doesn't work for me.

We in Montana have a saying about the sales tax: "Pay More – What For?"

This amendment would require Montana employers to spend their hard-earned dollars to enforce sales taxes in other states, with absolutely nothing in return. This is a clear infringement on states' rights that we cannot stand for.

Let me say it clearly: this is not Montana's tax. We have no sales tax. Montana businesses are not responsible for paying for the services and spending priorities in other states. Montana businesses are not responsible for paying for fancy software to play tax collector for other states.

This amendment isn't just bad for Montana businesses, but small businesses all across America. The amendment provides no protections for small businesses or protections from aggressive tax departments in other states.

Remember, with this amendment, a single business in any state — whether it be Montana, Illinois, Wyoming — any state must figure out and decipher the state sales tax laws in 45 other states, as well as all the city, county and special jurisdiction taxes.

That is not a burden we should be putting on our small businesses.

With this amendment, a single business in any state can be audited by all 45 sales tax states.

With this amendment, a single business in any state may be exposed to tax collectors from all 45 sales tax states.

If we haphazardly tack this complex issue onto a budget resolution that passes, then there's no guarantee we'll be able to protect small businesses down the road. Nor is there any guarantee that federal tax dollars won't wind up being wasted enforce state taxes.

As we all know, this type of amendment has to be vague in order to be introduced as part of this budget resolution process – but that's just the problem. There are no protections. There are no safeguards. Plain and simple, this amendment could put many small businesses at risk.

I urge my fellow senators to leave this issue aside as part of the budget and consider it in a more appropriate venue – as part of comprehensive tax reform.

I committed to Senator Durbin and Senator Enzi that we will consider this issue in full in the Finance Committee as we address tax reform. There, we can get together to think creatively about the myriad of tax issues impacting the American people while protecting small businesses and respecting the differences among states' rights.

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