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New federal bill could generate \$483 million for Washington during next biennium

Washington, D.C. – Nov. 9, 2011 – A bi-partisan bill introduced in the Senate today would generate an estimated \$483 million for Washington state and local governments during the Fiscal Year 2013-15, the Washington State Department of Revenue estimates.

The Marketplace Fairness Act would require out-of-state companies with more than \$500,000 a year in remote sales to begin collecting and remitting sales tax on sales to customers in Washington and other states that adopt certain changes to their tax laws to simplify collection. Washington already has adopted the Streamlined Sales and Use Tax Agreement, so it could begin collecting these taxes 90 days after the bill is signed into law.

The Department estimates that the act would generate \$306.5 million for the Washington State General Fund during the Fiscal Year 2013-15 biennium and another \$176.5 million for local governments.

The bill was co-sponsored by Sen. Dick Durbin, (D-Illinois), Sen. Mike Enzi, (R-Wyoming), and Senator Lamar Alexander (R-Tennessee).

The Department estimates that the state only collects sales tax on about half of online and mail order sales due to a 1992 U.S. Supreme Court decision that prevents states from requiring out-of-state businesses without a presence in a state to collect sales tax on sales to customers in that state.

More information on the bill is available at

http://enzi.senate.gov/public/index.cfm/news-releases?ContentRecord_id=1736f196-00a6-42fa-887a-1c4bdb6a2f33.

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