



ABOUT
REMOTE
SALES TAX COLLECTION

JUNE 21, 2018

RELEASED IN THE WAKE OF THE US SUPREME COURT
RULING OVERTURNING *QUILL*

The U.S. Supreme Court has issued a ruling that paves the way for a successful resolution to an issue Florida TaxWatch has fought for more than 15 years. The Court ruled that states can apply a reasonable requirement that remote vendors to collect sales taxes on sales to customers in their state—even if the vendor does not have a physical presence in that state.

It is important for Floridians to understand—**this is not a new tax**. Current law already requires this tax to be collected, but it is the responsibility of the consumer to send the appropriate amount to the state. Collecting this tax is simply following the rule of law. This ruling empowers Florida to collect a tax that is already on the books.

This is not a new tax

There was a day recently...we couldn't collect sales tax from customers... **our business went up 301% in one day.**



– **Michael Perlman**
Brandsmart, USA

E-FAIRNESS

Not requiring remote sellers to collect sales tax not only erodes Florida's tax base, but also **creates an unfair advantage over brick-and-mortar retailers and retailers with both online and traditional stores.**

Few Florida residents know that they are required to pay the sales tax owed on remotely conducted transactions directly to the Florida Department of Revenue, and even fewer actually make such payments.

Evidence suggests that Florida is losing out on hundreds of millions of dollars each year from a lack of collection, which over the long term, **could be used to reduce another tax** already imposed on Floridians.

Due to a lack of state-specific e-commerce data, estimates of the sales tax revenue on remote sales that are not collected vary. A 2009 study estimates Florida's sales tax losses from uncollected e-commerce sales at \$803.8 million for FY2011-12. Another report in 2011 estimated tax revenue losses of \$454 million in 2012.

Collecting this tax is
simply a matter of
following the rule of law

Many states, including Florida, have tried to enforce their sales tax laws, the **constitutional soundness of these efforts was unclear—until now.**

This Supreme Court ruling will bring fairness to Florida's tax system.



"I am very concerned about the principle of the matter, that there is a tax that exists, that nobody is collecting and it's sorrowful in my eyes that the legislature's turned a blind eye to this and it's come to the fact they say it's a new tax and it's not."

– **Barney Barnett**
Publix Super Markets, Inc.



"A lot of consumers will come in and look at your merchandise...and then go on the Internet and buy the same merchandise for 7 or 8% less."

– **Ambassador Mel Sembler**
The Sembler Co.

A photograph of a young woman with long blonde hair and glasses, wearing a brown blazer, and a young man with dark hair wearing a red and white plaid shirt. They are in a library, surrounded by bookshelves. The woman is holding a stack of books, and the man is looking at an open book. The text "This is about fairness for Florida businesses, and lower taxes for us all." is overlaid on the left side of the image.

This is about
fairness
for Florida
businesses,
and lower
taxes for us all.

Contact Florida TaxWatch

For more information on this important issue, contact Florida TaxWatch at 850.222.5052



Florida TaxWatch Research Institute, Inc.
www.FloridaTaxWatch.org
© Florida TaxWatch, June 2018