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# SENATE CONCURRENT RESOLUTION

URGING CONGRESS AND THE PRESIDENT OF THE UNITED STATES TO ENACT  
LEGISLATION TO ALLOW A STATE TO REQUIRE OUT-OF-STATE  
VENDORS TO COLLECT THE STATE'S GENERAL EXCISE, SALES, AND  
USE TAXES ON SALES TO ITS RESIDENTS.

1           WHEREAS, the Supreme Court of the United States held in  
2 *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), that the  
3 Commerce Clause of the Constitution of the United States  
4 prohibits a state from requiring an out-of-state vendor to  
5 collect and remit sales or use taxes on sales to consumers in  
6 the state unless the retailer has a physical presence in the  
7 state; and

8  
9           WHEREAS, as a result of the Supreme Court's decision,  
10 Hawaii is unable to compel out-of-state vendors to collect and  
11 remit the state general excise or use taxes on sales to Hawaii  
12 residents; and

13  
14           WHEREAS, in a study conducted for the Tax Review  
15 Commission, Dr. William F. Fox determined that approximately  
16 \$335,830,000 in general excise tax revenues were due on  
17 electronic commerce purchases made by Hawaii residents and  
18 businesses in 2012; and

19  
20           WHEREAS, Dr. Fox estimated that, of the \$335,830,000 in  
21 general excise tax revenues due in 2012, approximately  
22 \$144,880,000 was not collected due to noncompliance with the  
23 general excise tax; and

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25           WHEREAS, as sales conducted through electronic commerce  
26 continue to grow, the amount of tax revenues lost due to  
27 uncollected general excise taxes is also expected to increase;  
28 and

29  
30           WHEREAS, in *Quill*, the Supreme Court further held "that the  
31 underlying issue is not only one that Congress may be better



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1 qualified to resolve, but also one that Congress has the  
2 ultimate power to resolve[;]" now, therefore,  
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4 BE IT RESOLVED by the Senate of the Twenty-seventh  
5 Legislature of the State of Hawaii, Regular Session of 2013, the  
6 House of Representatives concurring, that the United States  
7 Congress and the President of the United States are urged to  
8 enact legislation to allow a state to require out-of-state  
9 vendors to collect and remit its general excise, sales, and use  
10 taxes on the vendors' sales to customers in the state; and  
11

12 BE IT FURTHER RESOLVED that certified copies of this  
13 Concurrent Resolution be transmitted to the President of the  
14 United States, the Majority Leader of the United States Senate,  
15 the Speaker of the United States House of Representatives, and  
16 the members of Hawaii's congressional delegation.  
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OFFERED BY:

