

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations--includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board

--in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
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- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Resolution Urging Congress to Reject Authorization of the Streamlined Sales Tax Project (SSTP)

Did you know that the Evergreen Freedom Foundation--which is connected to the Kochs--was the corporate co-chair in 2011?"

Summary

A number of states have enacted authorizing legislation to join the Streamlined Sales Tax Project (SSTP). SSTP is an effort to streamline the sales and use tax base and rate among the states, with a goal to lessening the sales and use tax collection burden of businesses. In addition to streamlining sales and use taxes, SSTP seeks to lobby Congress to overturn the Quill decision, which held that the Commerce Clause of the U.S. Constitution forbids states from forcing out-of-state sellers to collect sales and use tax on its behalf. While the goal of SSTP is laudable, the means chosen violate the constitutional principles of federalism and state sovereignty, and Congress should reject SSTP authorization on these grounds.

Model Legislation

WHEREAS, the advent of the Internet has led to a number of collection issues in state and local sales and use tax collection, and;

WHEREAS, similar collection issues in state and local sales and use tax collection were encountered previously in the area of catalogue sales, and;

WHEREAS, the Supreme Court of the United States correctly held in *Quill v. North Dakota*, 504 U.S. 298 (1992), that the Commerce Clause of the U.S. Constitution forbids a state or locality from forcing a vendor to collect sales or use tax on its behalf unless the vendor has physical presence in the state, and;

WHEREAS, the Quill decision is equally applicable to Internet sales, and;

WHEREAS, sales and use tax in many states is already applicable to Internet sales, and;

WHEREAS, a vendor should collect sales and use tax on Internet sales in those states where the vendor has physical presence, and;

WHEREAS, current law allows for the taxation of Internet sales where the Constitution allows such taxation, and;

WHEREAS, federalism and state sovereignty are among the many important principles underlying the Constitution of the United States, and;

WHEREAS, the movement known as the Streamlined Sales Tax Project (SSTP) calls upon Congress to overturn the Quill decision and allow states and localities to force

vendors without physical presence to collect sales and use taxes on catalogue, Internet, and other sales, and;

WHEREAS, the SSTP would thus allow many states to improperly impose their tax burden on out-of-state businesses and citizens who do not otherwise pay taxes, enjoy services, or have the ability to influence policy decisions in other states, and;

WHEREAS, the SSTP would force many states to standardize their sales and use tax systems and sanction those states that are found to be non-compliant with the SSTP, and;

WHEREAS, the SSTP would thus dilute the power of state officials to shape and manage tax policy, because pressure would be exerted to conform with the standards adopted by the SSTP governing board;

NOW THEREFORE LET IT BE RESOLVED, that the state of [Insert State] calls upon Congress to reject authorization of the SSTP, on the grounds of protecting the constitutional principles of federalism and state sovereignty, and maintain the Quill decision as the proper constitutional basis for out-of-state vendor collection of sales and use tax on a state's behalf.

*Adopted by the Tax and Fiscal Policy Task Force at the Annual Meeting, August 1, 2003.
Approved by the full ALEC Board of Directors August, 2003.*

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.