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Isaac M. O'Bannon • Jan. 21, 2013

In Washington, D.C., the inauguration is over and a new Congress and Senate are back in session.

In addition to big and frequently discussed issues on their agenda, such as gun control, national security, immigration reform and the ongoing battle over the budget, a bipartisan group of U.S. Senators hope to accomplish is the passing of a bill that would better enable states to collect taxes on transactions.

Wyoming Senator Mike Enzi-R, Illinois Senator Dick Durbin-D, and Tennessee Senator Lamar Alexander-R, have cosponsored the [Marketplace Fairness Act](#), which would allow states to require online retailers and catalog retailers to collect sales tax on transactions.

Because of the disparity and complexity of the various sales tax laws across the country, state legislators would first have to simplify their own state's tax laws.

States would have various options, such as joining the 24 states who have voluntarily adopted the the [Streamlined Sales and Use Tax Agreement](#) (SSUTA). As an alternative, states could make specific changes to their transaction taxes that include:

1. Notify retailers in advance of any rate changes within the state
2. Designate a single state organization to handle sales tax registrations, filings, and audits
3. Establish a uniform sales tax base for use throughout the state
4. Use destination sourcing to determine sales tax rates for out-of-state purchases (a purchase made by a consumer in California from a retailer in Ohio is taxed at the

California rate, and the sales tax collected is remitted to California to fund projects

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Support for the Marketplace Fairness Act comes from a broad array of businesses, trade associations, workers' unions and state governments.

The full text of the proposed [bill is available here](#).

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