1. 2014 TNT 8-8 WYDEN’S EXPECTED FINANCE CHAIRMANSHIP MAY MEAN MORE CONGRESSIONAL ACTIVITY ON STATE TAXES. (Release Date: JANUARY 09, 2014) (Doc 2014-297)

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When the chairmanship of the Senate Finance Committee is turned over to Sen. Ron Wyden, D-Ore., observers expect to see more activity on state taxes, but not a warmer reception for the Marketplace Fairness Act.

Senate Finance Committee Chair Max Baucus, D-Mont., has been nominated by President Obama to be U.S. ambassador to China and will leave Congress as soon as he is confirmed. Sen. John D. Rockefeller IV, D-W.Va., is next in line for the Finance chairmanship, but he is finishing his last term, clearing the way for Wyden to take over.

A spokesman for Wyden said the senator isn’t commenting on a possible agenda, but observers tell Tax Analysts they expect a greater focus on state tax issues, many involving e-commerce.
"Senator Wyden has been deeply engaged with state tax issues for the better part of two decades," said Joe Crosby, principal at MultiState Associates. "As a result of his experience, if he becomes chair of the Senate Finance Committee, we may see greater interest on the part of the committee in taking up state tax issues."

Those issues include various versions of the Internet Tax Freedom Act, the Mobile Workforce State Income Tax Simplification Act, the Digital Goods and Services Tax Fairness Act, the Business Activity Tax Simplification Act, and the Marketplace Fairness Act, all of which were referred to the Finance Committee upon introduction in the Senate.

Wyden cosponsored two of those measures. The Digital Goods and Services Tax Fairness Act of 2013 (S. 1364) would limit the ability of states and localities to tax the sales of digital goods and services, and the Internet Tax Freedom Forever Act (S. 1431) would make permanent the ban on state and local jurisdictions taxing Internet access. Wyden drafted the original version of that measure in 1998, and it has been extended three times. The current measure will expire in November.

Wyden’s office did not respond to questions about his position on the Mobile Workforce State Income Tax Simplification Act of 2013 (S. 1645) or the Business Activity Tax Simplification Act of 2013 (H.R. 2992), but like Baucus, he represents a state without a sales tax and strongly opposes the Marketplace Fairness Act of 2013 (S. 743).
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Wyden’s office did not respond to questions about his position on the Mobile Workforce State Income Tax Simplification Act of 2013 (S. 1645 (Doc 2013-25705)) or the Business Activity Tax Simplification Act of 2013 (H.R. 2992(Doc 2013-20483)), but like Baucus, he represents a state without a sales tax and strongly opposes the Marketplace Fairness Act of 2013 (S. 743 (Doc 2013-12061)).

Wyden ”has been one of the more active members of the committee when it comes to engaging on state tax issues in general and e-commerce in particular,” said Maureen B. Riehl, vice president of government affairs for the Council On State Taxation. ”Given his track record of working issues in a bipartisan manner and his historical interest in the state tax portfolio of bills, we may very well see a more vigorous processing of these bills by the Finance Committee under Chairman Wyden’s leadership,” she added.

University of Connecticut School of Law professor Richard Pomp said Wyden is more of a progressive on tax reform than Baucus has been and more willing to raise revenue, especially from corporations. He added that Wyden also has a good working relationship with House Budget Committee Chair Paul Ryan, R-Wis., who is expected to be the next chair of the House Ways and Means Committee.

”On the downside, we are replacing one senator from a state without a sales tax by another senator from a state without a sales tax,” Pomp said. ”That will not help the movement to require remote vendors to collect the use tax on Internet purchases.”

But Wyden’s opposition to the Marketplace Fairness Act may not matter much since the Senate already passed the legislation. If the House passes its bill (H.R. 684 (Doc 2013-4301)), the full Senate could take it up and send it to the president. And if the House passes a different version, the bill would likely go to a conference committee, where Wyden’s influence would be limited.
But if the House fails to pass a bill, the process would have to be restarted in the next Congress after the 2014 midterm elections, a prospect that opponents welcome and that would allow Wyden to more easily reinsert himself into the discussion -- assuming Democrats retain control of the Senate following the 2014 elections.

"Senator Wyden has long been a defender of the Internet and opportunities in e-commerce," said Hamilton Davison, cofounder of the True Simplification of Taxation Coalition and president of the American Catalog Mailers Association. "His good track record in protecting the Internet from new and discriminatory tax burdens gives us full confidence that the ill-conceived Marketplace Fairness Act will get the full scrutiny it deserves."