



NEW YORK STATE SENATOR

Liz Krueger

Select Committee Releases Report on NYS's Sales Tax

LIZ KRUEGER September 1, 2010

| ISSUE: **BUDGET, TAXES**



STAFF REPORT TO THE NEW YORK STATE SENATE SELECT COMMITTEE ON BUDGET AND TAX REFORM

(Albany, NY) – Today, the New York State Senate Select Committee on Budget and Tax Reform released a staff report detailing how the State's sales tax is failing to keep pace with economic and technological trends.

The sales tax, which then-Governor Nelson A. Rockefeller passed in 1965 to provide added aid to municipalities and schools, is being impacted by economic, technological and political trends. These trends — examined in the report — include:

- the shift from an industrial-based economy to a service-based economy;
- rampant growth in sales tax exemptions and credits;
- uncollected sales tax revenues because of mail order and Internet sales.

Recognizing how the cumulative impact of these trends could undermine the fiscal stability of New York State, Senator Liz Krueger, Chairwoman of the Select Committee, convened a roundtable meeting in Albany to discuss ways to enhance the State's fiscal stability through a more rational and streamlined sales tax system.

The report reviews the June 2010 roundtable's discussions, which focused on other states' attempts to modernize their sales tax systems by conforming them to the Streamlined Sales and Use Tax Agreement (SSUTA). The 5-year-old SSUTA is a broad set of rules and definitions regarding sales tax administration that states can uniformly adopt with the prospect of collecting sales taxes from remote sellers that voluntarily participate in the program.

Click the below link to read the report.