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Thank you for the opportunity to speak to the South Carolina Tax Realignment Commission on uniform tax policy. I am speaking as a professional who spends ninety percent of my billable time on multistate sales tax planning, research and dispute resolution. I speak in the capacity of a sales tax professional deeply involved with my profession and personally interested in sales tax policy.

I served as co-chair of the 2008 Advanced Sales Tax Academy of the Institute for Professionals in Taxation, the only professional organization that educates and certifies sales tax professionals. The Advanced Academy is a 2.5 day educational program directed at certified members and attendees with more than seven years experience. The 2008 Academy was on the topic of *Tax Policy for the 21st Century*, a topic which I nominated and which was successfully implemented. I am not a lobbyist or an economist, I speak from the experience of spending enormous amounts of time researching multistate sales tax issues for my clients, sometimes arriving at inconclusive answers or answers that I believe are correct but not clearly addressed in existing tax administrative policy. Technology and business models have changed and sales tax law has not kept pace. Very little of my time has been spent on South Carolina issues so nothing that I say should be attributed to South Carolina in particular.

#### **Uniform Sales Tax – In Support of Some Streamlined Definitions**

I understand that the Commission is tasked with a review of Uniform State Sales Tax. Please forgive me if I misunderstand the nature of scope of this part of your review. If it relates to Streamlined Sales Tax legislation, I would very much like to share my knowledge and experience on this topic with the Commission and perhaps this would be better done as a specific agenda item for a future meeting. I believe I have more experience with Streamlined legislation than any other

person in the state of South Carolina. I've been to committee and board meetings in many states and I've participated in perhaps a hundred telephone conference meetings. When the roll is called, I've been the only participant from South Carolina.

It has been my observation that while some states have implemented Streamlined legislation in a manner which properly reflects legislative, business and taxpayer involvement, many other states have implemented this legislation in a manner which does not. This leads to bad results for the business community and taxpayers in the state. It also creates problems in the administration of the Streamlined Agreement itself and impedes its ability to fulfill its mission.

I am a South Carolinian by choice. I came here from Florida to attend Furman University almost thirty years ago and chose to pursue my career here. I am not advocating Streamlined legislation at this point in time because it's not done. If the cake's not done, don't take it out of the oven. My personal recommendation is to consider adopting some of the uniform definitions from the Streamlined Agreement in an effort to legislatively increase uniformity in a manner which can be assimilated and understood by the department, legislature and taxpayers. This approach would limit the negative or unexpected ramifications of becoming a Streamlined state while providing immediate benefits of uniformity in selected areas.

I understand that enactment does present immediate revenue opportunities and am not in a position to weigh the benefits of implementation against the costs of participation. The revenue will come with strings attached, quantity and length to be determined. If the Commission pursues a recommendation with regard to Streamlined as part of its task in addressing Uniform Sales Tax, I have the following practical suggestions to share.

1. Form a South Carolina business advisory council which represents a broad spectrum of industries and taxpayers in the state with representation by large and small multistate taxpayers and small local businesses representing bricks-and-mortar retailers, hi-tech service providers and Internet retailers.

2. Legislatively require active participation on the Streamlined Board by a representative of the governor and both houses of the legislature. Legislatively require that these representatives meet with the state's business advisory council prior to and subsequent to every Streamlined meeting.
  
3. I would also ask that the state bring initiatives to the table to resolve some of the issues which create tremendous exposure for taxpayers in Streamlined states. If we, as a state, participate in this forum, I hope that it will be as an active participant and not merely a silent presence allowing other states to dictate policy impacting our economy.

#### **Uniform Tax Policy – Against N.C. Style “Amazon” Legislation**

I understand that North Carolina made a presentation on Internet taxation and I assume that this was in regard to their newly enacted Amazon law. This law attributes nexus to out-of-state sellers using web links of local businesses. This legislation reflects poor tax policy and it will hurt South Carolina businesses. Many remote sellers will sever Internet advertising relationships with local businesses. If the legislation spreads to other states, it will negatively impact South Carolina businesses trying to establish themselves on the Internet. Multistate sales taxation is complex and non uniform. Amazon laws similar to that passed in North Carolina put a tremendous burden on Internet retailers when there is no uniformity in sales tax laws across borders. There are over 7,000 state and local tax jurisdictions and the compliance burden is tremendous if you're selling anything more complicated than a sweater. The right way to increase tax collection from remote vendors is to create uniform laws so that multi-jurisdiction sales tax compliance is not an impediment to growing businesses.

I would be pleased to provide additional information or answer any questions you may have. Thank you for the opportunity to speak on uniform sales tax policy.