

# ACMA Urges Congress to Delay Remote Sales Tax Obligations Until April 1

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By

 **PAIGE JONES**  
Contact Author

A group that led the fight against online sales taxation is urging Congress to pass legislation that would delay state collection obligations on remote sellers until April 1. « [

In an [October 15 draft letter](#), the American Catalog Mailers Association (ACMA) pressed U.S. lawmakers to support and advance legislation to prevent states from implementing sales tax collection obligations on remote sellers until April 1, 2019, and institute a ban on seeking remote sales taxes before [South Dakota v. Wayfair Inc.](#) was decided in June.

“As states pass new laws to increase their revenues, small businesses across the country are left scrambling to integrate complicated software into their existing systems in order to satisfy each state’s unique requirements, which are changing weekly,” the draft letter says.

The ACMA is circulating the letter among its members in hopes of reaching over 100 signatures, ACMA President Hamilton Davison told *Tax Notes* October 17, adding that they are about halfway to their goal.

The letter all but endorses the Online Sales Simplicity and Small Business Relief Act of 2018 ([H.R. 6824](#)), [introduced](#) by Rep. F. James Sensenbrenner Jr., R-Wis., on September 13 to bar states from retroactively imposing sales tax collection duties on remote sellers. It remains in the House Judiciary Committee.

Davison said the letter does not specifically name Sensenbrenner’s bill because some ACMA members had concerns with it, so the association decided to focus on their two biggest wishes regarding remote sales taxation: a uniform start date for remote sales tax collection and no retroactivity.

The ACMA split with other organizations and proposed an April 1, 2019, start date for implementing state sales tax collection obligations on remote sellers to allow businesses time to prepare to comply. Other stakeholders, such as [Sensenbrenner](#) and the National Conference of State Legislatures’ [Task Force on State and Local Taxation](#), had proposed a January 1, 2019, start date, which the ACMA deemed to be too early for many businesses.

“We need time to have an orderly phase-in of this,” Davison said, explaining that the fourth quarter is busy for many businesses and that ACMA members said the start of the second quarter would be best.

The letter also pushes for a “ban on the taxation of remote sales made prior to the date of the *Wayfair* decision that did not fall under the previous physical presence standard.” The ACMA said states like Massachusetts are “pursuing companies for the payment of sales tax, interest, and penalties.”

“Expecting companies to retroactively collect tax from customers months after the time of sale is unrealistic,” the letter says. “This leaves companies no choice but to pay taxes, out of their own pockets.”

The Massachusetts Department of Revenue has said that the *Wayfair* decision has no effect on its [remote sales tax regulation](#) (830 CMR 64H.1.7) that took effect October 1, 2017, and that the DOR would enforce it.

*Tax Notes* [obtained a letter](#) in June that appeared to have been sent to a retailer from the DOR that said the recipient failed to register with the agency and that its sales tax returns for the period of October 1, 2017, to April 30, 2018, were overdue. The *Wayfair* decision came out June 21.

Davison said the ACMA plans to send the letter to all members of Congress soon because it hopes they will act « [ before 2019.

“The lame duck session of Congress (post-election) will be our only chance to get something done this year,” an [October 17 ACMA press release](#) said. “The Sensenbrenner bill, in its entirety, may be too large a package to tack onto ‘must pass’ legislation at the end of the year.”

It continued, “Rather, a smaller ask is more politically feasible and only needs to have the ‘sign off’ of leadership and support from Members of Congress.”

Davison said he hopes Congress will tack the two provisions onto a larger bill to be passed by 2019.

## DOCUMENT ATTRIBUTES

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