

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

770C0877

HOUSE CONCURRENT RESOLUTION NO. 1014

Introduced by: Representatives Fiegen, Broderick, Michels, Peterson, Richter, and Solum and
Senators Everist, Lawler, Munson (David), and Rounds

1 A CONCURRENT RESOLUTION, Requesting the United States Congress to enact legislation
2 prohibiting the United States Postal Service from selling nonmonopoly goods and services.

3 WHEREAS, the United States Postal Service has recently embarked on a number of
4 programs pursuant to which the postal service engages in nonpostal businesses and sells many
5 nonpostal goods and services at post offices, including clothing, mugs, novelty items,
6 photocopying services, packaging materials, and other nonpostal goods and services; and

7 WHEREAS, various state and local governments have enacted sales and use taxes on the sale
8 or consumption of goods or services within the state or their various political subdivisions; and

9 WHEREAS, the postal service does not collect and remit state or local sales and use taxes
10 on its sale of nonpostal goods or services; and

11 WHEREAS, the postal service bases its noncollection of sales and use taxes on the
12 Supremacy Clause of the United States and the doctrine of intergovernmental tax immunity; and

13 WHEREAS, the sale of nonpostal goods or services by the postal service is not in
14 accordance with the performance of a governmental function but rather is the type of activity
15 engaged in by private enterprises that are subject to state and local sales and use taxes; and

16 WHEREAS, the postal service's practice of selling nonpostal goods and services while at the

1 same time not collecting and remitting sales and use taxes on the sale of such nonpostal goods
2 and services puts local tax-paying retailers selling similar items at an economic disadvantage and
3 also has a negative impact on state and local treasuries as a result of the loss of tax revenues that
4 would otherwise be received:

5 NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-
6 fourth Legislature of the State of South Dakota, the Senate concurring therein, that the South
7 Dakota Legislature hereby requests the United States Congress to enact legislation to prohibit
8 the sale by the postal service of such nonmonopoly related goods and services and prohibit
9 further service offerings and advertisements by the postal service in areas where the general
10 public is presently served by private industry.