

Digital Goods and Services Tax Fairness Act (116th Congress: H.R 1725 & S. 765)

The digital economy is booming as consumers are purchasing more and more digital goods and services. Yet our laws regulating the taxation of these goods and services do not reflect the needs of the modern digital consumer. The Digital Goods and Services Tax Fairness Act will ensure the protection of consumers, from multiple taxation, in today's digital age.

We must:

- Protect consumers from potential multiple state taxes on a single digital purchase;
- Establish a national framework to determine which state has the right to decide whether to tax a digital transaction – *it would not require that any state establish a tax*; and
- Prohibit multiple taxes on digital goods and services.

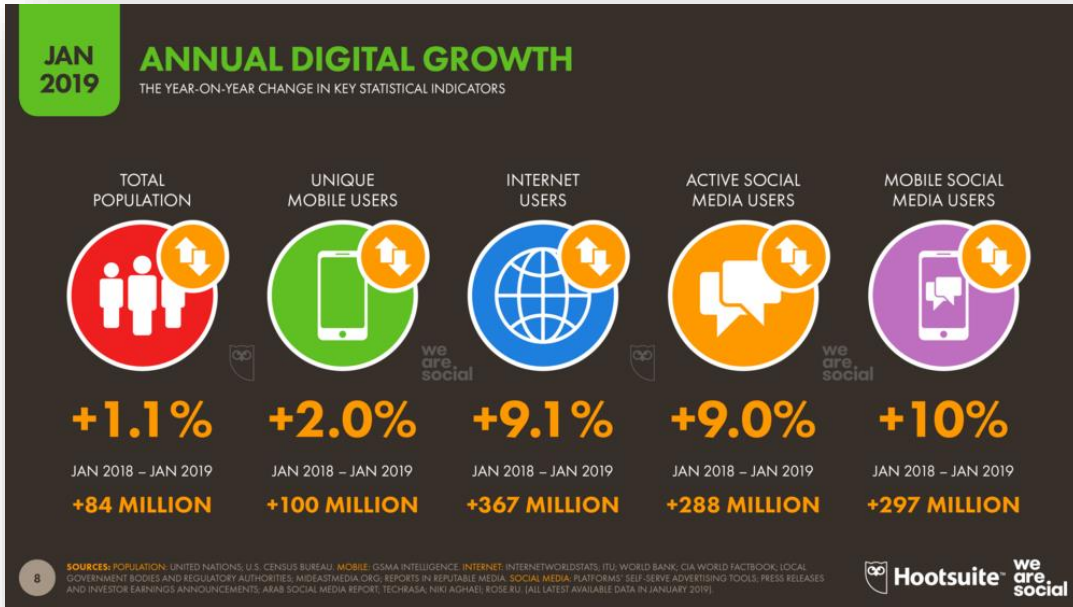
Digital Good and Services: By the Numbers

3 different states could currently tax the same purchase of a digital good or service

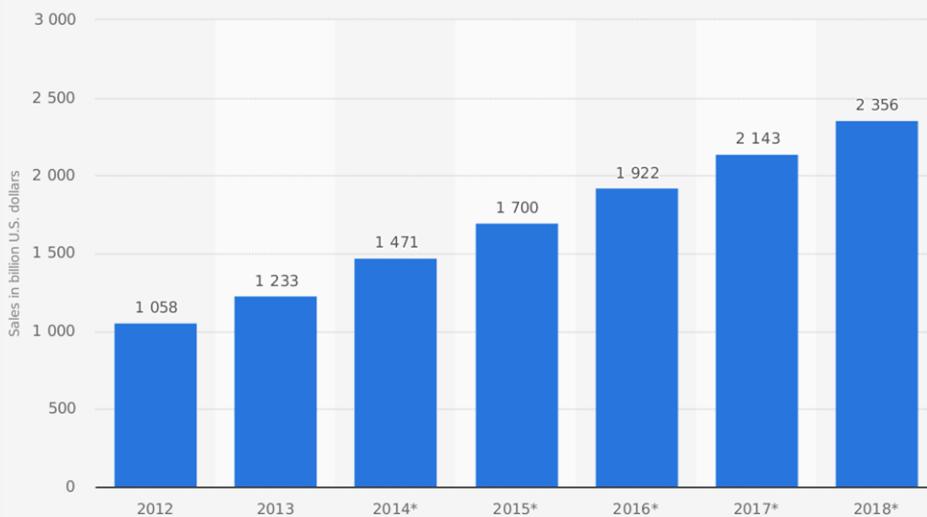
45% of all internet users
have purchased digital goods

89% of Americans use the internet,
whether through cable, satellite, or mobile

We cannot deny the growth of the digital goods economy and must move away from the brick and mortar system in order to thrive in the digital age. Below, we have outlined trends that clearly show the rapid growth of the digital economy and the need to ensure that duplicative taxation is addressed.



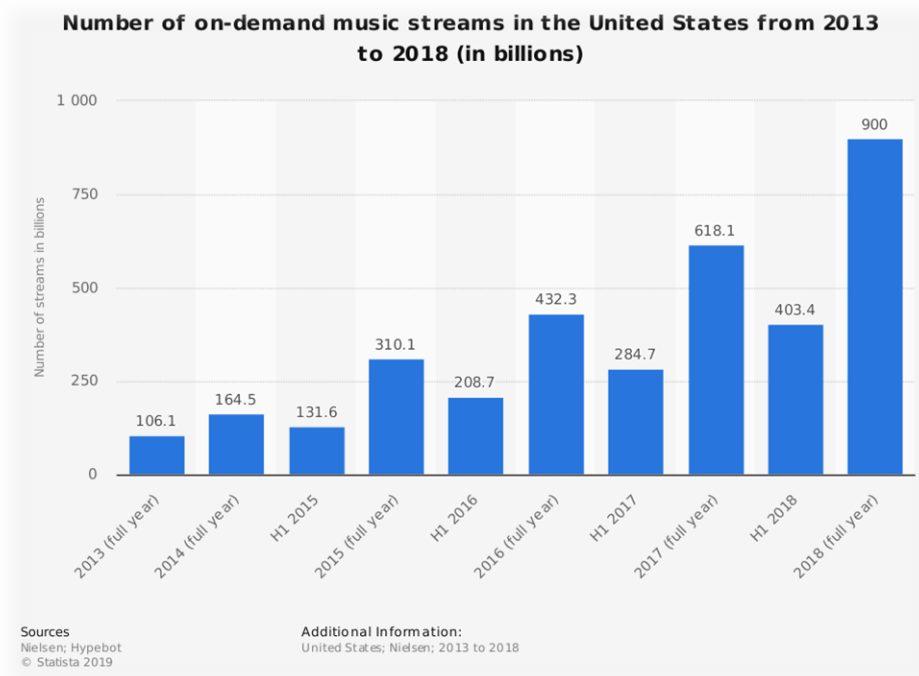
B2C e-commerce sales worldwide from 2012 to 2018 (in billion U.S. dollars)



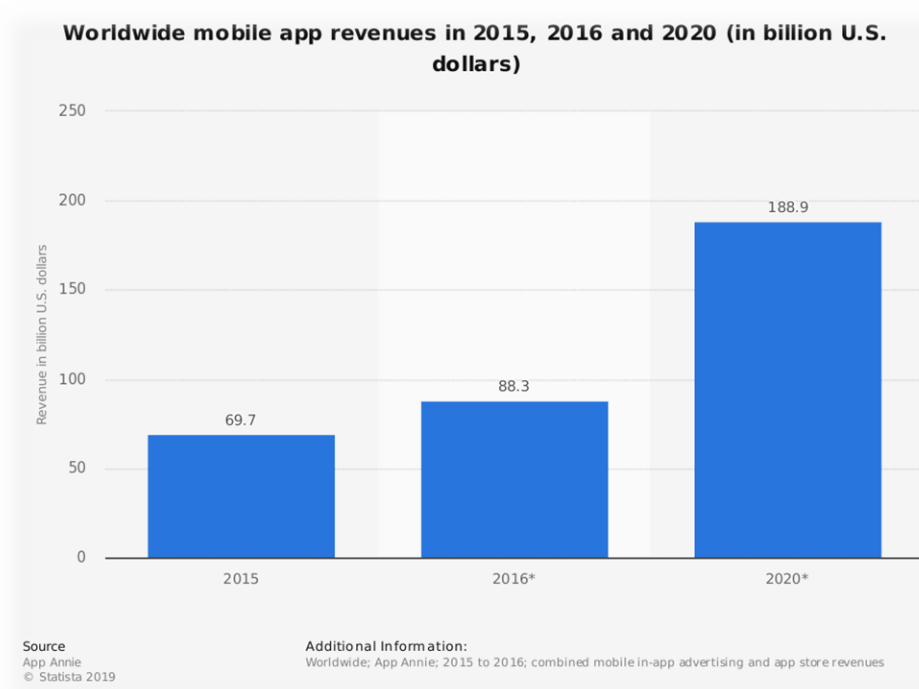
Sources
 eMarketer; MarketingCharts
 © Statista 2018

Additional Information:
 Worldwide; eMarketer; 2012 to 2014

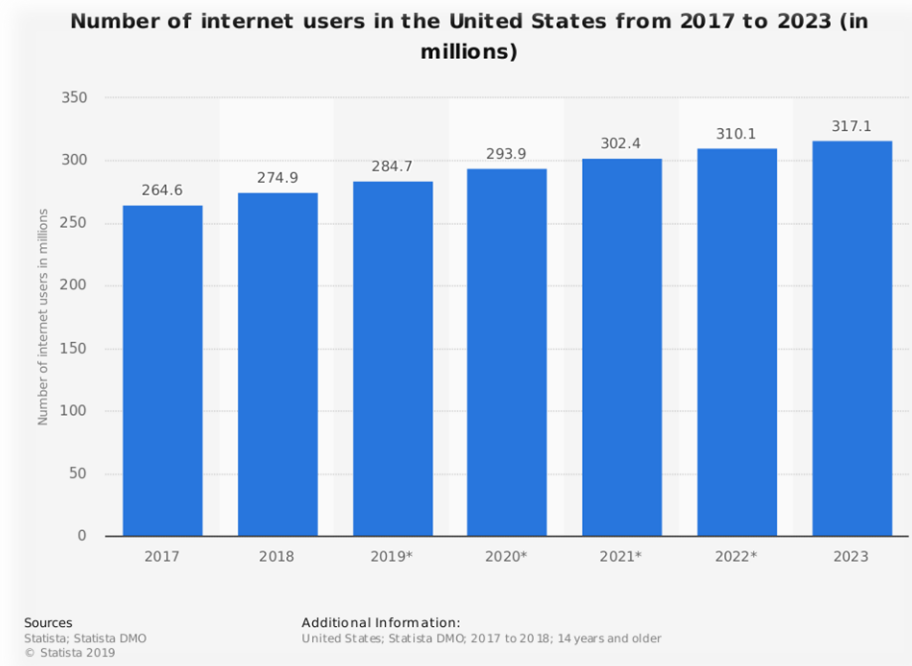
The above graph depicts the growth of Business to Consumer e-commerce sale, which has more than doubled since 2012.



The music industry plays a large role in the digital economy. Digital music streaming has grown exponentially over the last 5 years. From 2016 to 2018, the number of on-demand music streams has more than doubled.



Mobile app revenue is on the rise. Total worldwide revenues in 2020 is expected to reach \$188 billion.



Internet usage is on the rise. Through 2023, the number of internet users in the United States is expected to continuously rise.