



# A New Internet Sales Tax? Only if It's Revenue-neutral

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



[Jason Howie / Creative Commons 2.0](#)

By: *Patrick Ishmael*

As we head into the holidays, many of us are already thinking of the gifts we'll be giving and receiving. We might even give ourselves a gift! But very few of us would ever give ourselves a gift with *someone else's money*, for this holiday or any other. That would be *impolite* (and probably illegal). Unfortunately, some in Jefferson City are already musing about whether the government will give itself the gift of more of your tax money in the new year—thanks to a proposed Internet sales tax.

The issue here isn't really the tax itself. Researchers at the Show-Me Institute have long-supported low tax rates with a broad base, and sales taxes are less destructive to growth than income taxes. But as the sales tax base broadens, another tax should contract to ensure the government isn't growing and treating taxpayers like a piggybank. In fact, the tax reform bill passed earlier this year originally included a provision that would have created an Internet sales tax in the state, but also simultaneously reduced state income taxes. That revenue-neutral approach is not just good governance—[it is good policy that shifts the state's reliance away from growth-destroying income taxes.](#)

More to the point, that revenue-neutral approach to the Internet sales tax nearly became law

last year, and I support it becoming law this year. But if lawmakers want to create the tax and gift the revenues back to growing government spending, that will be a non-starter for supporters of small, responsible government and free-market policies.

## About the Author



*Patrick Ishmael  
Director of Government Accountability*

*Patrick Ishmael is the director of government accountability at the Show-Me Institute.*

## Read Online

<https://showmeinstitute.org/blog/budget/new-internet-sales-tax-only-if-it%E2%80%99s-revenue-neutral>

## Links

- [1] <https://showmeinstitute.org/blog/budget/new-internet-sales-tax-only-if-it%E2%80%99s-revenue-neutral>
- [2] <https://www.flickr.com/photos/jasonahowie/8583949391>
- [3] <https://showmeinstitute.org/sites/default/files/20180313%20-%20New%20Tax%20Vision%20-%20Ishmael-Tuohey.pdf>

## Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

## Show-Me Institute

5297 Washington Place      3645 Troost Avenue  
Saint Louis, MO 63108      Kansas City, MO 64109  
Phone: (314) 454-0647      Phone: (816) 287-0370  
Fax: (314) 454-0667

Email: [info@showmeinstitute.org](mailto:info@showmeinstitute.org)

## Support Our Work

The Show-Me Institute is a tax-exempt 501(c)(3) nonprofit organization. Make your tax deductible contribution today: <http://ShowMeInstitute.org/donate>