

**SENATE AND HOUSE INTERIM COMMITTEES ON REVENUE AND TAXATION**

**September 14, 2015**

**1:00 p.m.**

**Room 171, Little Rock, Arkansas**

**Meeting Minutes**

The Senate and House Interim Committees on Revenue and Taxation met on Monday, September 14, 2015, at 1:00 p.m., in Committee Room 171, Little Rock, Arkansas.

Committee members in attendance were Senators Jonathan Dismang, Bart Hester, Jimmy Hickey, Jr., Bill Sample, Representatives Joe Jett, *House Chair*, Andy Davis, Jim Dotson, Les Eaves, Lanny Fite, Kenneth B. Ferguson, Vivian Flowers, Justin Gonzales, Monte Hodges, George McGill, Stephen Meeks, Nelda Speaks, Clarke Tucker, and DeAnn Vaught.

Other members in attendance were Senators Joyce Elliott, Greg Standridge, Representatives Trevor Drown and James Sorvillo.

Representative Jett opened the meeting.

**Adoption of Minutes** [Exhibit C]

The minutes from the December 10, 2013 meeting were approved by acclamation.

**Consideration of a Motion to Authorize Chairs to Approve Special Expenses Incurred by the Committee**

Representative Stephen Meeks made the motion to authorize the chairmen to approve special expenses incurred by the committee. Senator Sample seconded the motion, and without objection, the motion carried.

**Overview of Department of Finance and Administration Costs Related to Lawsuits**  
[Exhibit E]

Representative Jett recognized Mr. Tim Leathers, Deputy Director, and Mr. Paul Gehring, Chief Legal Counsel, Department of Finance and Administration (DFA). Mr. Gehring gave an overview of each of the pending tax litigation cases, DFA is currently involved in. DFA represents itself in cases regarding taxes, revenue, and licensing issues.

**Sales Tax Paid by Cities** [Exhibit F]

Representative Jett recognized Mr. Tim Leathers, Deputy Director, Department of Finance and Administration. Mr. Leathers gave an overview of the U.S. Streamline Sales Tax Agreement and why exempting Arkansas' cities and counties from their own sales and use tax would violate the terms of the Agreement. This violation could result in Arkansas losing all future sales and use tax collections from voluntary sellers who currently pay tax to the state. Mr. Leathers explained the Streamline Sales Tax Agreement requires the tax base be identical for state and local sales

and use tax purposes. Mr. Leathers said several voluntary sellers around the state have collected and remitted more than \$53 million in state sales tax, plus an additional \$19.9 million in city and county sales taxes on remotes sales to Arkansas customers since 2005. During FY2014, total sales tax collections by these voluntary sellers were \$2.2 million and total local tax collections were \$3.7 million.

**Adoption of Interim Study Proposals referred to Committee**

ISP2015-062 by Representative Sorvillo

ISP2015-065 by Representative Lemons

ISP2015-066 by Representative M. Hodges

ISP2015-069 by Representative Dotson

ISP2015-078 by Representative J. Mayberry

ISP2015-112 by Representative C. Fite

ISP2015-128 by Representative C. Douglas

Representative Dotson moved the interim study proposals under consideration be adopted, Representative Stephen Meeks seconded the motion, and without objection, the motion carried.

The meeting adjourned at 1:40 p.m.