

INTERIM STUDY PROPOSAL 2011-177

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3 REQUESTING THE ARKANSAS LEGISLATIVE COUNCIL OF THE EIGHTY-EIGHTH
4 GENERAL ASSEMBLY TO REFER TO THE APPROPRIATE INTERIM COMMITTEE A
5 STUDY CONCERNING THE POTENTIAL FISCAL IMPACT AND LOSS OF JOBS TO
6 THE STATE OF ARKANSAS AS THE RESULT OF TRANSFERRING THE
7 RESPONSIBILITY FOR THE COLLECTION OF SALES AND USE TAXES TO OUT-
8 OF-STATE SELLERS THAT USE AN AFFILIATED PERSON OR THAT USE AN
9 ARKANSAS RESIDENT TO REFER POTENTIAL PURCHASERS TO THE OUT-OF-
10 STATE SELLERS.

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12 BE IT RESOLVED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE EIGHTY-EIGHTH
13 GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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15 WHEREAS, Act 1001 of 2011 (SB 738) transferred the responsibility for
16 collecting sales and use tax to out-of-state sellers that are engaged in the
17 business of selling tangible personal property and services in Arkansas and
18 that use an affiliated person that is subject to Arkansas sales and use tax;

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20 WHEREAS, Act 1001 of 2011 (SB 738) transferred the responsibility for
21 collecting sales and use tax to out-of-state sellers that are engaged in the
22 business of selling tangible personal property and services in Arkansas and
23 have contracted with an Arkansas resident to refer potential purchasers to
24 the out-of-state seller;

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26 WHEREAS, news reports have indicated that as a consequence of this law,
27 these out-of-state sellers have ceased using affiliated persons in Arkansas
28 and revoked contracts with Arkansas residents that were referring potential
29 purchasers to the out-of-state sellers;

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31 WHEREAS, it is currently unknown whether Act 1001 of 2011 (SB 738) will
32 cause a decrease or increase in revenue;

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34 WHEREAS, it is currently unknown whether Act 1001 of 2011 (SB 738) has
35 caused a reduction in jobs in Arkansas; and
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1 WHEREAS, a study concerning the potential fiscal impact and the
2 reduction of jobs that may be caused by Act 1001 of 2011 (SB 738) would be
3 beneficial.

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5 NOW THEREFORE,
6 BE IT PROPOSED BY THE LEGISLATIVE COUNCIL OF THE EIGHTY-EIGHTH GENERAL
7 ASSEMBLY;

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9 THAT the appropriate House interim committee study the potential fiscal
10 impact and loss of jobs in Arkansas caused by Act 1001 of 2011 (SB 738).

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12 Respectfully submitted,

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14 Representative David Meeks
15 District 46

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20 By: MMC/MMC

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