

INTERIM STUDY PROPOSAL 2011-177

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

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

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

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

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

WHEREAS, it is currently unknown whether Act 738 of 2011 will cause a decrease or increase in revenue;

WHEREAS, it is currently unknown whether Act 738 of 2011 has caused a reduction in jobs in Arkansas; and

1           WHEREAS, a study concerning the potential fiscal impact and the  
2 reduction of jobs that may be caused by Act 738 of 2011 would be beneficial.

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4       NOW THEREFORE,

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

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8           THAT the appropriate House interim committee study the potential fiscal  
9 impact and loss of jobs in Arkansas caused by Act 738 of 2011.

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11       Respectfully submitted,

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13       Representative David Meeks

14       District 46

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19       By: MMC/MMC