

REVISED AGENDA
Senate Committee on Revenue and Taxation
House Committee on Revenue and Taxation
Meeting Jointly

Thursday, September 15, 2011

10:00 AM

Room B, MAC

Little Rock, Arkansas

Sen. Larry Teague, Chair
Sen. Michael Lamoureux, Vice Chair
Sen. Jerry Taylor
Sen. Paul Bookout
Sen. Linda Chesterfield
Sen. Jake Files
Sen. Bill Sample
Sen. Eddie Joe Williams

Rep. Davy Carter, Chair
Rep. Larry Cowling, Vice Chair
Rep. Robert S. Moore, Jr.
Rep. Ed Garner
Rep. Mike Patterson
Rep. Uvalde Lindsey
Rep. Keith M. Ingram
Rep. Allen Kerr
Rep. John Burris
Rep. Stephen Meeks
Rep. Lane Jean
Rep. Fredrick J. Love
Rep. Mark Biviano
Rep. Charlie Collins
Rep. Homer Lenderman

Rep. Kelley Linck
Rep. Bruce Westerman
Rep. Justin T. Harris
Rep. Linda Collins-Smith
Rep. Nate Bell
Rep. Duncan Baird, Non-Voting
Rep. Stephanie Malone, Non-Voting
Rep. Walls McCrary, Non-Voting
Rep. Ann V. Clemmer, Non-Voting
Rep. Jim Nickels, Non-Voting
Rep. Matthew Shepherd, Non-Voting
Rep. Jon S. Eubanks, Non-Voting
Rep. Andy Mayberry, Non-Voting
Rep. Mary P. "Prissy" Hickerson, Non-Voting
Rep. David J. Sanders, Non-Voting

- A. Call to Order
- B. Opening Comments by Chairs: **Representative Davy Carter**
Senator Larry Teague

C. Adoption of Minutes – August 18, 2011 **[Exhibit C]**

D. Consideration to Adopt Interim Study Proposal

ISP 2011-177 BY REPRESENTATIVE D. MEEKS 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 **[Exhibit D]**

E. Other Business

F. Adjournment

Notice: Silence your cell phones. Keep your personal conversations to a minimum. Observe restrictions designating areas as "Members and Staff Only"

DRAFT

SENATE AND HOUSE COMMITTEES ON REVENUE AND TAXATION
Interim Session, August 18, 2011, 10:00 a.m.
Room B, MAC, Little Rock, Arkansas
Meeting Minutes

The Senate and House Interim Committees on Revenue and Taxation met at 10:00 a.m. on Thursday, August 18, 2011 in Committee Room B, MAC, Little Rock, Arkansas. Committee members in attendance were Senators Larry Teague, *Senate-Chair* Linda Chesterfield, Jake Files, Bill Sample, Jerry Taylor, Representatives Davy Carter, *House Chair*, Nate Bell, Mark Biviano, John Burriss, Linda Collins-Smith, Justin Harris, Lane Jean, Allen Kerr, Homer Lenderman, Kelly Linck, Uvalde Lindsey, Frederick Love, Stephen Meeks, Mike Patterson, and Bruce Westerman. Non-Voting members were Representatives Duncan Baird, Jon Eubanks, and Jim Nickels. Other invited guests were Representatives John W. Catlett, Tommy Wren, James Ratliff, Mary Slinkard, Gary Stubblefield, James McLean, Billy Gaskill, Tracy Pennartz, Butch Wilkins, Buddy Lovell, Andrea Lea, Gary Smith, Marshall Wright, Tommy Baker, Jon Hubbard, Efreem Elliott, Denny Altes, and Senators Jim Luker, Jason Rapert, and Bill Pritchard.

Senator Teague opened the meeting.

Representative Lea inquired about the procedure for adopting an Interim Study Proposal. Senator Teague responded that all ISP's will be adopted for study. Each sponsor is responsible for contacting the appropriate Committee's Chair or Staff to have the ISP placed on a future meeting agenda for study.

Adoption of Interim Study Proposals

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|----------------------------------|------------------------------------|
| 1. ISP2011-054 by Sen. Crumbly | 11. ISP2011-121 by Sen. Rapert |
| 2. ISP2011-066 by Rep. English | 12. ISP2011-129 by Rep. King |
| 3. ISP2011-069 by Rep. Linck | 13. ISP2011-130 by Rep. Cowling |
| 4. ISP2011-074 by Sen. Lamoureux | 14. ISP2011-131 by Rep. Cowling |
| 5. ISP2011-076 by Sen. Files | 15. ISP2011-132 by Rep. Gillam |
| 6. ISP2011-084 by Sen. Salmon | 16. ISP2011-133 by Rep. Cowling |
| 7. ISP2011-090 by Rep. Nickels | 17. ISP2011-157 by Rep. Biviano |
| 8. ISP2011-091 by Rep. Summers | 18. ISP2011-163 by Sen. Madison |
| 9. ISP2011-092 by Rep. Collins | 19. ISP2011-175 by Sen. Hutchinson |
| 10. ISP2011-093 by Rep. Hyde | |

Next tentative meeting date scheduled for Senate and House Interim Committees on Revenue and Taxation is Thursday, September 15, 2011.

Meeting adjourned at 10:10 a.m.

INTERIM STUDY PROPOSAL 2011-177

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2
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.

11
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 738 of 2011 transferred the responsibility for collecting
16 sales and use tax to out-of-state sellers that are engaged in the business of
17 selling tangible personal property and services in Arkansas and that use an
18 affiliated person that is subject to Arkansas sales and use tax;

19
20 WHEREAS, Act 738 of 2011 transferred the responsibility for collecting
21 sales and use tax to out-of-state sellers that are engaged in the business of
22 selling tangible personal property and services in Arkansas and have
23 contracted with an Arkansas resident to refer potential purchasers to the
24 out-of-state seller;

25
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 738 of 2011 will cause a
32 decrease or increase in revenue;

33
34 WHEREAS, it is currently unknown whether Act 738 of 2011 has caused a
35 reduction in jobs in Arkansas; and
36

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.
3

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
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