

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

HCR 1007

4
5 By: Representative Ormond
6

7
8 **HOUSE CONCURRENT RESOLUTION**

9 RESOLUTION TO ENCOURAGE CONGRESS TO PASS
10 LEGISLATION REQUIRING THE COLLECTION OF STATE
11 SALES AND USE TAX BY REMOTE VENDORS.
12

13 **Subtitle**

14 RESOLUTION TO ENCOURAGE CONGRESS TO PASS
15 LEGISLATION REQUIRING THE COLLECTION OF
16 STATE SALES AND USE TAX BY REMOTE
17 VENDORS.
18

19
20 WHEREAS, forty-five states and the District of Columbia impose a sales
21 and use tax; and
22

23 WHEREAS, local merchants are facing unfair competition from remote
24 sellers located outside Arkansas who do not collect sales and use tax on
25 their sales to Arkansas customers; and
26

27 WHEREAS, the United States Supreme Court in Quill v. North Dakota has
28 ruled that states cannot require remote vendors that do not have substantial
29 nexus with their state to collect state sales and use tax; and
30

31 WHEREAS, the United States Supreme Court in Quill ruled that Congress
32 is free under the Commerce Clause to allow the states to impose tax
33 obligations on taxpayers even when they do not have substantial nexus with a
34 particular taxing jurisdiction; and
35

36 WHEREAS, exponential increases in remote sales has reduced sales and



1 use tax revenue for all states; and

2
3 WHEREAS, there is no economic reason to justify treating electronic
4 commerce or other forms of remote commerce more favorably than any other form
5 of commerce; and

6
7 WHEREAS, sound tax policy demands that all forms of commerce be treated
8 equally; and

9
10 WHEREAS, a national initiative, the Streamlined Sales Tax Project, is
11 underway to adopt a uniform system of sales and use tax administration that
12 would greatly reduce the burden on remote sellers and facilitate interstate
13 commerce; and

14
15 WHEREAS, technological advances have greatly reduced the burden on
16 remote sellers; and

17
18 WHEREAS, the State of Arkansas is opposed to legislation that would
19 link federal restrictions on state authority to levy business activity taxes
20 to the implementation of an expanded duty for remote sellers to collect sales
21 and use taxes, and

22
23 WHEREAS, a trade-off between state business activity tax authority and
24 sales and use tax authority undermines federalism and erodes the equity and
25 effectiveness of business activity taxes; and

26
27 WHEREAS, Arkansas calls on Congress to re-establish fairness in state
28 sales and use tax systems by requiring remote sellers making sales above a
29 reasonable threshold level to collect sales and use taxes for any state that
30 simplifies its tax system in accordance with the standards established by the
31 Streamlined Sales and Use Tax Agreement,

32
33 NOW THEREFORE,

34 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-FOURTH GENERAL
35 ASSEMBLY OF THE STATE OF ARKANSAS, THE SENATE CONCURRING THEREIN:

36

1 That Congress is urged to recognize the value of the Streamlined Sales
2 Tax Agreement to individual state tax systems and to the state sales and use
3 tax structure that must operate in our national and international economy;
4 and
5

6 BE IT FURTHER RESOLVED that Congress is encouraged to recognize that
7 the requirements for the collection of state sales and use tax should not
8 require adoption of specified standards of nexus for other types of state and
9 local taxes, but should provide that collection and remittance of sales and
10 use taxes, in and of itself, would not be considered a factor in determining
11 nexus for other state and local taxes;
12

13 BE IT FURTHER RESOLVED that Congress should commit itself to achieving
14 equity in sales and use tax collection by authorizing states, in advance, but
15 subject to congressional veto, to require collection of the tax by remote
16 sellers that exceed a de minimis sales threshold, the authorization taking
17 effect automatically once a critical mass of states have implemented the
18 simplifications outlined by the Streamlined Sales Tax Agreement; and
19

20 BE IT FURTHER RESOLVED that upon the adoption of this resolution the
21 Chief Clerk of the House of Representatives shall transmit a copy to each
22 member of Arkansas' Congressional Delegation and the presiding officer of the
23 United States House of Representatives and the United States Senate.
24
25
26
27
28
29
30
31
32
33
34
35
36