

1 **RESOLUTION NO. _____**

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3 **A RESOLUTION TO ENCOURAGE THE ARKANSAS GENERAL**
4 **ASSEMBLY TO TAKE STEPS TO PERMIT THE APPROPRIATE**
5 **COLLECTION OF SALES AND COMPENSATING USE TAX REVENUE**
6 **FOR INTERNET SALES TO ARKANSAS CONSUMERS; TO HELP**
7 **ASSURE THE CONTINUED LOCAL FUNDING OF VITAL PUBLIC**
8 **SERVICES; AND FOR OTHER PURPOSES.**
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10 **WHEREAS**, the ubiquitous involvement of the internet in the daily lives of citizens has created vast
11 opportunities for education, communication, and commerce; and,

12 **WHEREAS**, the laudable desire of the Federal Government to assure the rapid expansion of facilities
13 throughout the nation to accommodate the growth of digital technology for these purposes, as was done for
14 the railroad, telephone, and telegraph industries of the 19th and 20th centuries, has helped to create a multi-
15 billion dollar “e-commerce” through various states; and,

16 **WHEREAS**, an Internet retailer, or “e-tailer” is no different from a railroad, telephone or telegraph
17 service in its impact upon local resources even though there is no local train station, or telegraph office, or
18 phone switching station, because local zoning laws are preempted to assist in the rapid location and
19 permitting of facilities to make such e-commerce viable; and,

20 **WHEREAS**, there is a demonstrated result that e-tailers which use this digital technology to achieve a
21 local presence for the purpose of commerce cost local governments literally millions of dollars in annual
22 Sales and Compensating Use Tax receipts that cannot otherwise be recovered; and,

23 **WHEREAS**, one reason that these revenues cannot be recovered is that the Federal Government has
24 preempted taxation of the very “information” technology that enables e-commerce to reach the local
25 consumer, through local telephone, wireless connections, or cable television connections; and,

26 **WHEREAS**, a recognition of this unfairness both to local governments and local businesses has been
27 recognized and, and a means to correct this problem has been offered, through such vehicles as the
28 Marketplace Fairness Act of 2013, which has not been introduced into the 114th Congress; and,

29 **WHEREAS**, the impact on the City of Little Rock from 2011 to 2013 has been documented to be more
30 \$2.6 Million Dollars (\$2,600,000.00); and,

31 **WHEREAS**, unfunded Federal mandates for appropriate compliance with Federal Legislation such as
32 the Americans with Disabilities Act, the Affordable Care Act, and, such things as continued compliance
33 with the National Environmental Protection Act, the Clean Water Act, and the Clean Air Act, are making

1 such significant impacts on the annual operating budgets of local governments, and will continue to do so,
2 that a crisis point has been reached where these local governments will have to reduce or cut vital public
3 services; and,

4 **WHEREAS**, this matter can be effectively addressed with State Legislation, such as SB 527, with
5 definitions of doing business within the State and having a presence within the State that includes Internet
6 sales;

7 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY**
8 **OF LITTLE ROCK, ARKANSAS:**

9 **Section 1.** The Board of Directors unanimously requests that the Arkansas General Assembly assure
10 the introduction, passage, and enactment into law, of legislation that requires that State, County, and local
11 Sales and Compensating Use Taxes are collected by vendors and remitted to the appropriate government
12 for sales and transactions that occur through internet or appropriate digital retail outlets by redefining “doing
13 business in the State of Arkansas,” and “having a presence in the State of Arkansas,” to include the
14 collection of certain amount of money from any person, persons, entity, or entities, within the State of
15 Arkansas, or relevant county or municipality, by Internet sales to a buyer located within these jurisdictions
16 purchasing goods or services for which payment can be pursued by legal process while.

17 **ADOPTED: March 3, 2015**

18 **ATTEST:**

APPROVED:

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21 **Susan Langley, City Clerk**

Mark Stodola, Mayor

22 **APPROVED AS TO LEGAL FORM:**

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25 **Thomas M. Carpenter, City Attorney**

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