

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION TO ENCOURAGE GOVERNOR ASA HUTCHINSON TO  
CONSIDER A SPECIAL SESSION TO MAKE APPROPRIATE CHANGES  
TO ARKANSAS STATE LAW SO THAT SALES AND COMPENSATING  
USE TAXES ON INTERNET SALES MAY BE COLLECTED AND  
DISTRIBUTED; AND FOR OTHER PURPOSES.**

**WHEREAS**, prior decisions of the U.S. Supreme Court held that a State requirement to have an out-of-state merchant collect and remit Sales or Compensating Use Tax when the merchant did not have a physical location within the boundaries of a given State was a violation of the Commerce Clause of the U.S. Constitution; and,

**WHEREAS**, these decisions were handed down before the pervasive and aggressive marketing of goods and services through the Internet which, among other things, resulted in an estimated \$31 billion dollars in State, County, and local Sales and Compensating Use Taxes being collected by individual governments; and,

**WHEREAS**, the collection and remission by the vendor of Sales and Compensating Use Taxes on Internet sales was recognized on June 21, 2018, by the U.S. Supreme Court in *South Dakota v. Wayfair, Inc.*, as not barred by the U.S. Constitution, and not a violation of the Commerce Clause because of lack of a physical presences within a particular jurisdiction which, in turn, approved the nature of a statutory scheme established by the State of South Dakota; and,

**WHEREAS**, while the State of Arkansas is a participant in the Streamlined Sales and Use Tax Agreement, of the requirements approved by the *Wayfair* decision, there are other aspects of the decision which should be enacted before the State, County and local governments in Arkansas can be assured of the receipt of these revenues; and,

**WHEREAS**, if a special session of the General Assembly is held this year such legislation could be in place in time to capture the balance of such collections this year; and,

**WHEREAS**, on July 23, 2018, the Judiciary Committee of the U.S. House of Representatives held a hearing on the impact of the *Wayfair* opinion opened with statements by Committee Chair Bob Goodlatte raising numerous concerns about any potential Federal Legislation and how various issues should be addressed; and,

**WHEREAS**, it should be agreed that the collection of any Sales or Compensative Use Taxes on Internet sales should not attempt retroactive application prior to the adoption by each State of the type of legislation deemed appropriate in the *Wayfair* opinion;

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

3        **Section 1.** Governor Asa Hutchinson is encouraged to work with State Legislative Leaders and call a  
4 special session of the Legislature as quickly as possible to approve any necessary legislation, or  
5 amendments, which would permit the State of Arkansas, its counties, and its municipalities, to require out-  
6 of-state vendors to collect and remit Sales or Compensating Use Taxes on Internet or other out-of-state  
7 sales.

8        **Section 2.** The Mayor and City Clerk are directed to send a copy of this resolution to the Governor  
9 upon its approval.

10        **Section 3. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or  
11 word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or  
12 adjudication shall not affect the remaining portions of the resolution which shall remain in full force and  
13 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the  
14 resolution.

15        **Section 4. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with  
16 the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

17 **ADOPTED: August 7, 2018**

18 **ATTEST:**

**APPROVED:**

19  
20 \_\_\_\_\_  
21 **Susan Langley, City Clerk**

\_\_\_\_\_   
**Mark Stodola, Mayor**

22 **APPROVED AS TO LEGAL FORM:**

23  
24 \_\_\_\_\_  
25 **Thomas M. Carpenter, City Attorney**

26 //

27 //

28 //

29 //

30 //

31 //

32 //

33 //

34 //

35 //