

Take Advantage
I want to see our local merchants succeed. I want them to have a safe city to do business. I want them to have a favorable tax structure in which to operate. One that is not burdensome or unfair. I want to encourage them to "exploit" every legal opportunity to earn consumers business every day. When I can, I buy local. I paid more for a product recently than I could purchase it online just to buy local – So I do support our local businesses. I do NOT, however, support any attempt to exploit local business support as a rouse to increase state tax revenue.

With that said, I also think it is deceiving how this internet sales tax legislation was presented by some in a way that made it seem like it was supposed to be all for the good of local retailers. Truth be known, it just one of MULTIPLE ways this past session tried to increase the taxes on the people of Arkansas which includes US.

In essence, I do NOT see this tax proposal as funding progress but enabling a debilitating and bankrupting lust for power, spending, and control that seems to be rampant by many in office. When we allow our Governments, whether it be local, state, or federal, to reach into our back pockets again and again knowing they have not handled the money WE have already entrusted to them properly, we are doing nothing more than enabling, promoting, and proliferating a habitual practice that is already out of control.

As it stands right now, it is UNCONSTITUTIONAL for a State to mandate any out of state business that does not have a physical presence in that state to collect sales, county, or city taxes for remission to that state. This was brought to light and confirmed during the recent legislative session.

We hear terms like "exploit" the law.. When one follows the Federal Law, I think it's odd to say that it is being exploited. I guess I "exploit" traffic laws, and other laws every day just by being a good citizen. It's my opinion that what is being exploited is the kind hearts and desire for Arkansans to help local business, when in fact, it is doing nothing more than giving big government more money to waste.

Right now, RETAILERS IN JONESBORO can be seen as both a local business and an out of state business. Every business in Jonesboro that does not operate a physical location in another state, is an out of state business to that state. There is no law, statute, ordinance, or any other legality preventing any Jonesboro Merchant from "exploiting" (to borrow a term) the same Federal Law and marketing their online products in any other out of state market they want. Increasing their internet sales footprint, and competing in other states and exploiting the same law as other out of state retailers is totally within their right and prerogative if they so choose.

I checked FedEx shipping rates and, one would pay more for a 2lb package to be shipped FedEx Ground 2-3 day delivery than what our tax rate is. Many times this rate is absorbed as a cost by the retailer that has to ship the package. Our local businesses may have to charge tax that the out of state retailer doesn't, but they do not have to ship it and in a majority of cases, the cost to ship is more than the tax collected. With this being said, I don't think people buy online mainly because it's cheaper, but because they can shop at 11pm at night in the privacy of their home and get it shipped directly to their house or it may be because they can't find a desired item locally.

The points I want to make are simple.

- 1) Average citizens only have so much to spend and when that money is gone, we are done spending. We cannot print money, nor can we operate in a deficit like State and Federal Governments. When We, the people, are out of money we are through spending at local restaurants, grocery stores, malls, gas stations, convenience stores, repair shops etc. We don't hire plumbers, lawyers, and inspectors. We put off going to the doctor because we don't have the co-pays or can't afford the out of pocket expenses.
- 2) If this is not a new tax then why do we need additional legislation? Why do we need to create a new category of tax called Sales and Use, why is it going to cost us more money?

It is true that if this passes, local retailers and legislators will have successfully eliminated a level playing field. Yes, in-state retailers could have a price advantage of possibly 8.5%. If this issue is such a huge problem and affects local retailers in such a drastic way, then it follows that we could possibly see a spike in local prices because local businesses know they have an advantage up to the tax rate and could raise prices. This again, would decrease the buying power of the citizen even more.

All in all, I can't see how taking upward of 100 million dollars or more of purchasing power OUT of the hands of the people and shifting it to a State Government that spends millions of dollars on faulty and unusable computer programs for Medicaid expansion, or spends thousands of dollars on pet projects for legislators just for a vote on certain legislation is good for our economy. Our state government spends 35 – 45% more tax payer dollars per capita (or for each person) than our contiguous states and 39% more than the total US average; our state government has 37.5% to 39% more non educational state employees per 10,000 residents than other comparable states.

I'm not against tax increases but I do think I can spend my money more wisely than the state can at this given time. How can this be good for local retailers? If Arkansas just reduced our state employees down to the average or other like states, we would save upwards of 8.8 Billion dollars. That's Billion with a "B".

Therefore, I cannot, with clear conscious, vote to support any resolution or any effort to take close to 100 million dollars from the pockets of hard working Arkansans and from the retail sales of our local businesses. This includes no telling how much from the citizens of Jonesboro, knowing good and well that if it were set to a vote before the people, they would vote it down in a heart-beat.

How can we as a body elected to represent the people of Jonesboro vote to support something that we know would fail significantly if put to a vote? A poll was conducted concerning this issue and an average of 74% agree that the internet should remain as free from government regulation and taxation as possible. 88% of republicans, 78% of independents, 59% democrat, and 83% of conservatives voted to keep it the same, AND keep it free from government taxation. For me to sit up here and vote to propagate and support an initiative that is squarely in opposition to the majority of those who voted for me to represent them is an abandonment of the people who put me here. The municipal league didn't put me in this chair, the people of Jonesboro put me in this chair and I will do my best to hear from them and act accordingly.

This is why I recently sent a message to all our local representatives and senators urging them to not only continue to vote AGAINST this legislation as it rears its ugly head but to INACT new legislation that would REPEAL any existing law that requires citizens of Arkansas to self-report and remit sales tax voluntarily. I think it's unfair hold responsible the people of Arkansas to become tax attorneys and understand the list of internet purchases that are or are not taxable items found in the Department of Finance and Administrations regulations.

I want to say that regardless of the outcome of this vote either way, I respect all my fellow Alderman and our Mayor, and most of all; the citizens of the great City of Jonesboro. Thank you for your time.