

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COPPELL, TEXAS, SUPPORTING CONGRESSIONAL ACTION ON MARKETPLACE FAIRNESS ACT.

WHEREAS, the Supreme Court of the United States established in its 1992 *Quill v. North Dakota* decision that States cannot on their own accord require out of state retailers to collect sales taxes; and

WHEREAS, the Supreme Court of the United States also declared in the same ruling that Congress could exercise its authority under the Commerce Clause of the U.S. Constitution to decide “whether, when, and to what extent” the states may require sales tax collection on remote sales; and

WHEREAS, the city of Coppell receives a substantial amount of operating revenue from sales tax collected by brick and mortar businesses, from online vendors with a nexus in the state and from use tax as collected by the city of Coppell; and

WHEREAS, remittance of use tax not collected by the vendor from online purchases puts an undue burden and widely unknown obligation on consumers; and

WHEREAS, the state of Texas has taken all necessary steps in preparation for collection of online sales tax by making remittance of sales tax as simple as possible for online vendors; and

WHEREAS, the traditional legal measures of physical presences and nexus create an unlevel playing field between internet-based retailers and Texas-based retailers, who are rooted and invested in the community; and

WHEREAS, the unlevel playing field and tax collection loophole given to online-only retailers starves local economies of precious resources for providing services such as schools, public safety, and infrastructure; and

WHEREAS, an economic impact study by conservative economist Dr. Arthur B. Laffer shows that requiring online-only retailers to collect and remit state sales taxes could help create jobs in Texas and add revenue to our state’s economy; and

WHEREAS, that same study shows over 1.5 million jobs could be created and more than \$563 billion could be added to our national economy if online-only retailers collected and remitted sales taxes; and

WHEREAS, local brick and mortar retailers serve as a foundation of our economy and are permanent, engaged members of the community who employ our citizens, support neighborhood charities and organizations, and contribute to the city; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF COPPELL, TEXAS, that the city of Coppell supports leveling the playing field between traditional brick and mortar retailers and Internet-based retailers, provided the State of Texas continues to use the “point of origin” method in determining how sales tax remittance to Texas cities will

continue as required by Section 2 (b) of the Marketplace Fairness Act of 2013, by calling on the U.S. House of Representatives to take up and pass S. 743 — the Marketplace Fairness Act of 2013 without delay.

DULY PASSED by the City Council of the city of Coppel, Texas, this the 13th day of August, 2013.

APPROVED:

KAREN SELBO HUNT, MAYOR

ATTEST:

CHRISTEL PETTINOS, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY