



Arkansas Voters Tell Congress: NO to New Internet Sales Tax Laws!

Mercury.

Arkansas Statewide Survey:

June 1-2, 2014

N= 400 Likely Arkansas Voters

70% landline, 30% cell phones

Margin of Error ± 4.9 %

ARKANSAS

Issue background

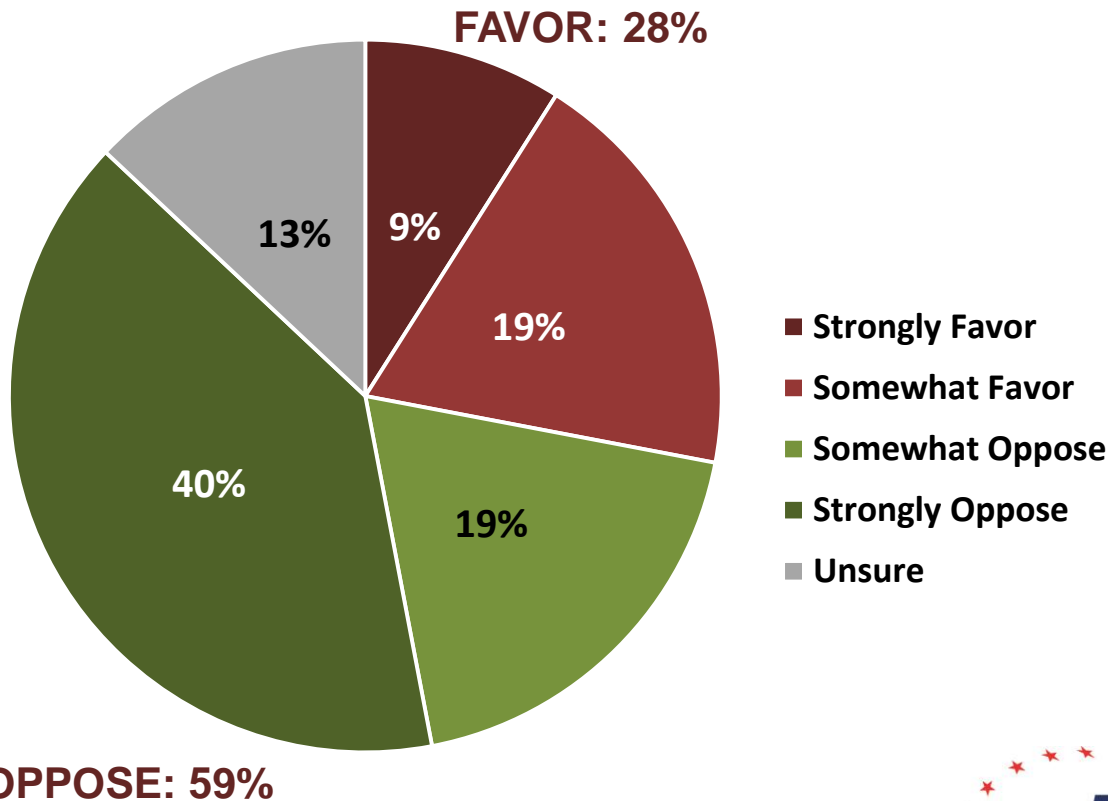
- Supreme Court decisions prevent states from enforcing sales tax laws on retail businesses that do not have some physical presence in their state, such as a store or warehouse. In short, state sales tax enforcement officials are stopped at the state border.
- States have tried to overturn this limitation on out-of-state taxation for decades, claiming revenue losses from catalogues, retail, and most recently, e-commerce.
- Today, the nation's largest retailers are working in cooperation with many state governments to push a federal law called the "Marketplace Fairness Act" (MFA) that ends this limitation on out-of-state sales tax collection.
- The MFA would grant the power to each state tax enforcement body to enforce its sales tax laws regardless of whether the business has any operations or employees in the state, wiping away borders as limits to state tax collection and enforcement power.
- Result would be every state gaining unprecedented new power to audit retail businesses anywhere in America, and drag businesses into their state courts, harming consumers and smaller businesses that use the Internet to engage in commerce.

Key Survey Findings

- Bipartisanship lives in Arkansas when the issue is opposing the expansion of Internet sales taxes.
- A majority of Arkansas voters overwhelmingly oppose changing Internet sales tax collection to be based on the location of the buyer.
- Arkansans of all political stripes – not just Republicans and Conservatives, but majorities of Moderates, Liberals, Independents and Democrats – are opposed to the specifics of MFA, which would expand out-of-state sales tax collection on Arkansas e-merchants.
- Voters from the Right to the Left send a clear signal that they want as little regulation and taxation of the Internet as possible.
- A clear majority of Missouri voters reject a national e-commerce sales tax collection mandate and by a 2:1 margin would support a like-minded candidate.
- Republicans looking to make inroads among younger voters: opposition to expanding the interstate collection of Internet sales taxes is higher among working age voters.

Most oppose federal law making online retailers collect and process sales taxes based on location of buyer

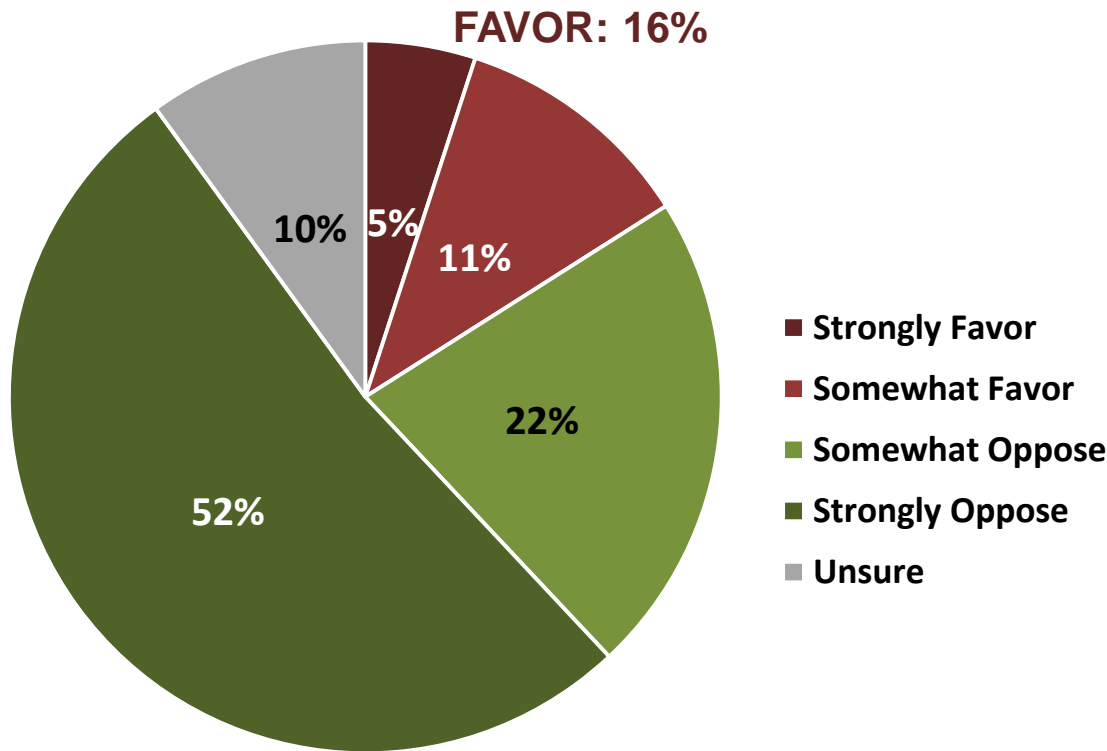
Currently, online retailers must collect and process sales tax on purchases made over the Internet only in states where that retailer has a physical presence, like an office or a store. For larger companies like Target or Walmart, this may be all states. However, many small online retailers only have a presence in one state... Would you favor or oppose new federal legislation that changes this system by allowing states to make online retailers collect and process sales taxes on Internet purchases based on where the customer is located? (IF CHOICE MADE, ASK) Do you strongly (favor/oppose) this, or just somewhat (favor/oppose) it?



	Favor	Oppose
Republican (n=109)	21	67
Independent (n=154)	25	67
Democrat (n=128)	40	43
Conservative (n=198)	23	67
Moderate (n=115)	33	53
Liberal (n=62)	39	47
Freq. Online Shopper (n=141)	26	65
Infreq. Online Shopper (n=256)	30	56
Age 18-44 (n=108)	30	66
Age 45-64 (n=158)	27	64
Age 65+ (n=119)	31	47

Intense and broad opposition to empowering out-of-state tax collectors on Arkansas online merchants

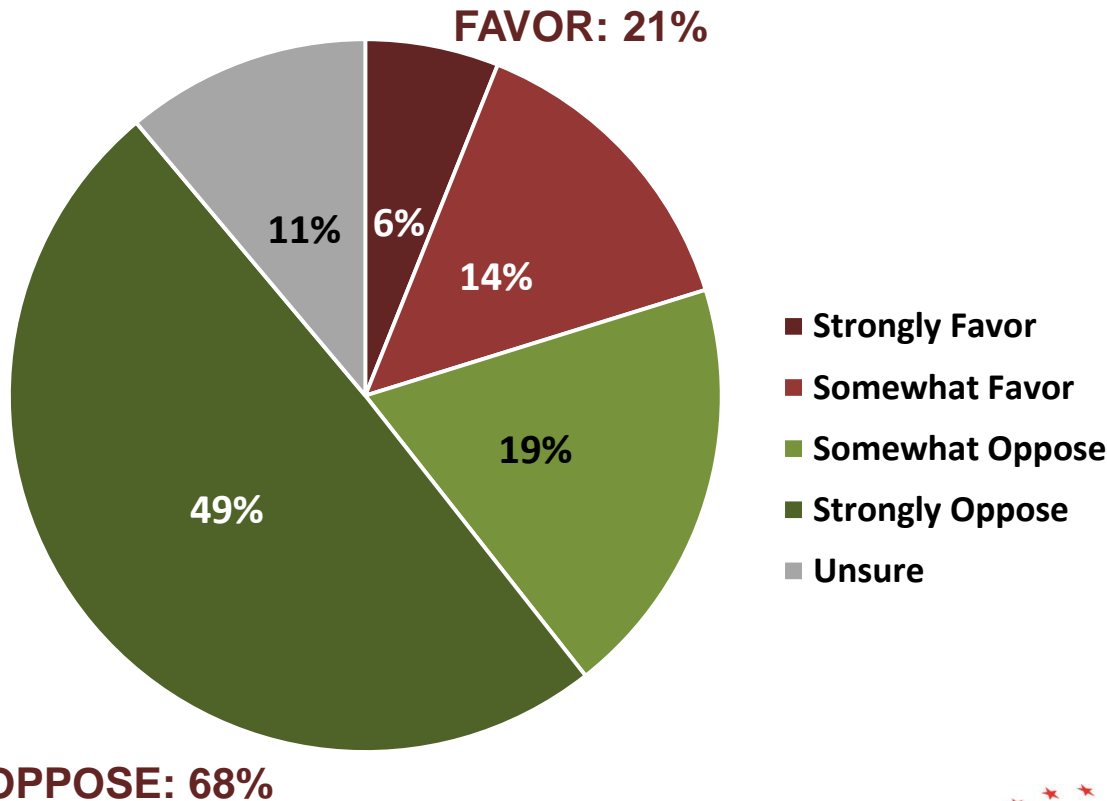
The proposed legislation would allow tax enforcement agents from one state to collect taxes from online retailers based in a different state. For instance, if a customer in New York makes an Internet purchase from a retailer in Arkansas, the state of New York may make that retailer collect New York sales tax and send it to New York... Knowing this, do you favor or oppose federal legislation that changes how states collect sales tax from Internet purchases? (IF CHOICE MADE, ASK) Do you strongly (favor/oppose) this, or just somewhat (favor/oppose) it?



	FAVOR	Oppose
Republican (n=109)	13	78
Independent (n=154)	13	79
Democrat (n=128)	21	66
Conservative (n=198)	8	81
Moderate (n=115)	27	66
Liberal (n=62)	19	74
Freq. Online Shopper (n=141)	13	78
Infreq. Online Shopper (n=256)	17	72
Age 18-44 (n=108)	16	74
Age 45-64 (n=158)	14	80
Age 65+ (n=119)	17	66

Arkansans firmly reject a national e-commerce sales tax mandate

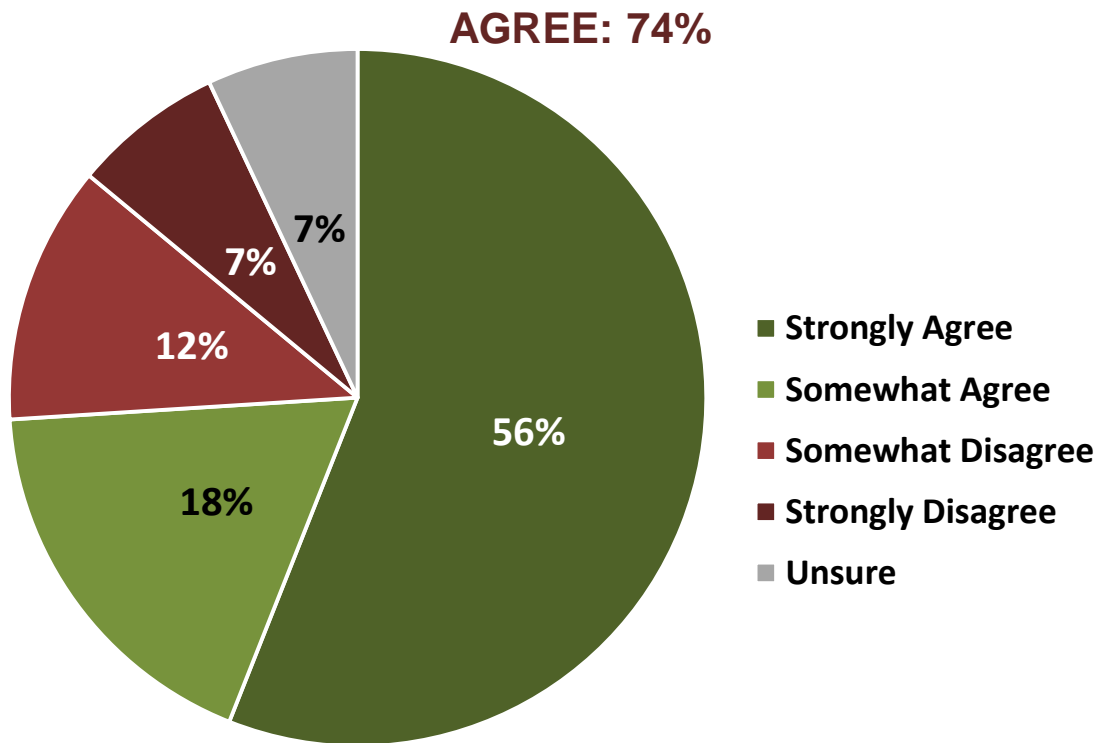
The proposed legislation would create a new national sales tax collection mandate that applies to every retailer who sells goods and services over the Internet... With this in mind, do you favor or oppose this legislation? (IF CHOICE MADE, ASK) Do you strongly (favor/oppose) this, or just somewhat (favor/oppose) it?



	Favor	Oppose
Republican (n=109)	15	74
Independent (n=154)	19	73
Democrat (n=128)	27	59
Conservative (n=198)	17	72
Moderate (n=115)	27	66
Liberal (n=62)	26	62
Freq. Online Shopper (n=141)	15	76
Infreq. Online Shopper (n=256)	23	65
Age 18-44 (n=108)	23	71
Age 45-64 (n=158)	19	75
Age 65+ (n=119)	19	59

Strong agreement e-commerce should remain as free from regulation & taxation as possible

Thinking a little more about shopping online, or e-commerce... Please tell me if you agree or disagree with the following statements. The first/next one is ***The Internet should remain as free from government regulation and taxation as possible.*** (IF CHOICE MADE, ASK) Do you strongly (agree/disagree) with it, or just somewhat (agree/disagree) with it?

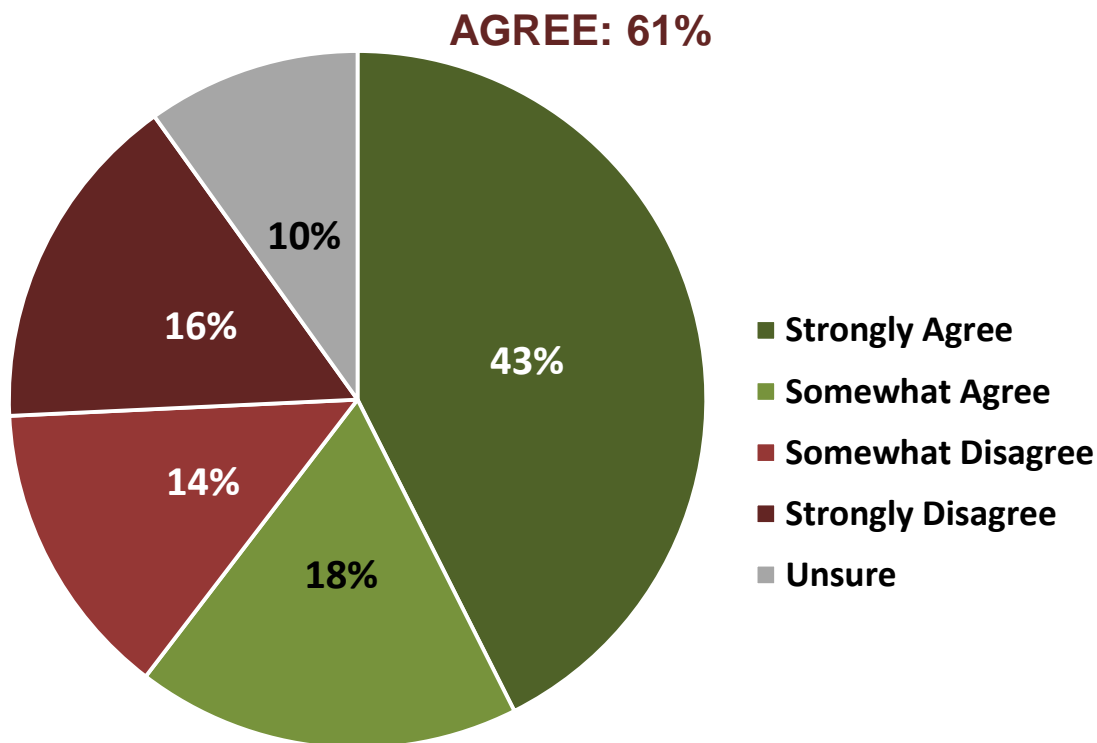


	Agree	Disagree
Republican (n=109)	88	10
Independent (n=154)	78	17
Democrat (n=128)	59	30
Conservative (n=198)	83	12
Moderate (n=115)	67	30
Liberal (n=62)	66	22
Freq. Online Shopper (n=141)	81	17
Infreq. Online Shopper (n=256)	71	21
Age 18-44 (n=108)	77	20
Age 45-64 (n=158)	79	18
Age 65+ (n=119)	68	21

DISAGREE: 19%

Arkansas voters don't want Arkansas e-merchants subject to enforcement from out-of-state tax collectors

Thinking a little more about shopping online, or e-commerce... Please tell me if you agree or disagree with the following statements. The first/next one is ***Out-of-state tax collectors, such as those from the State of New York, should not gain new power to audit and take into New York courts, online retailers who operate from Arkansas.*** (IF CHOICE MADE, ASK) Do you strongly (agree/disagree) with it, or just somewhat (agree/disagree) with it?

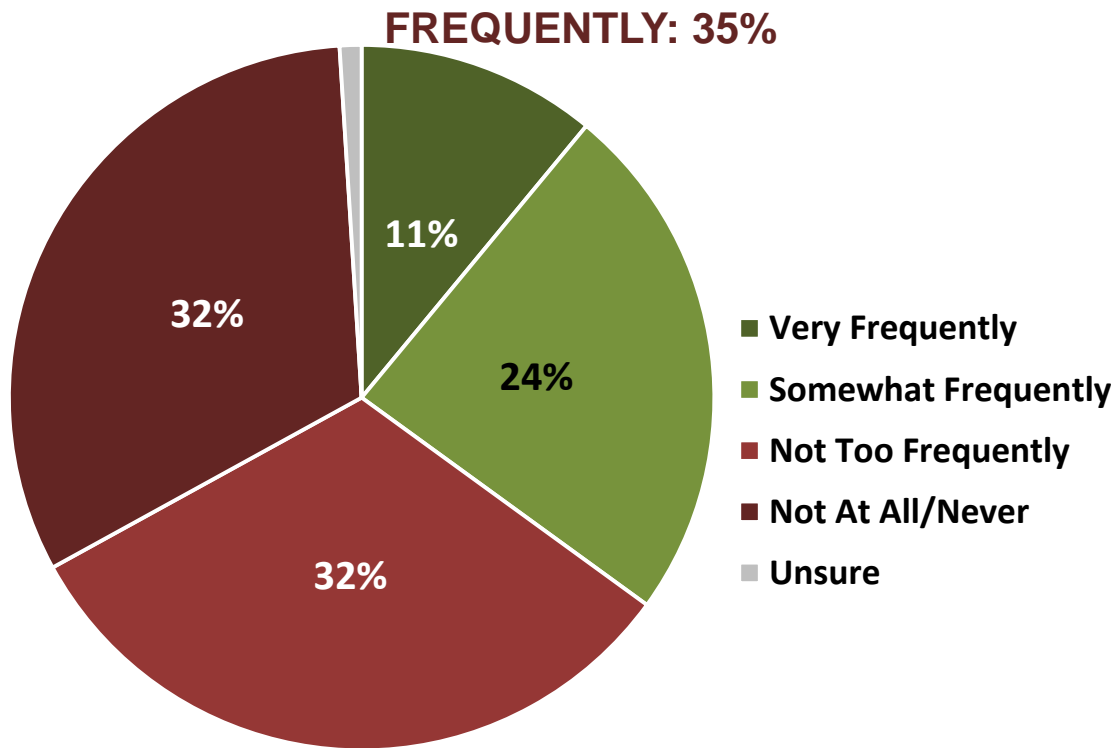


	Agree	Disagree
Republican (n=109)	69	24
Independent (n=154)	64	30
Democrat (n=128)	50	33
Conservative (n=198)	66	25
Moderate (n=115)	64	32
Liberal (n=62)	50	35
Freq. Online Shopper (n=141)	68	21
Infreq. Online Shopper (n=256)	57	34
Age 18-44 (n=108)	68	27
Age 45-64 (n=158)	62	31
Age 65+ (n=119)	55	29

DISAGREE: 29%

Online Shopping Frequency

How frequently do you buy goods or services online from e-commerce sites like Amazon, eBay, Craigslist, Overstock and others? Would you say...



	Frequently	Not Frequently
Republican (n=109)	44	56
Independent (n=154)	34	65
Democrat (n=128)	30	68
Conservative (n=198)	32	68
Moderate (n=115)	41	59
Liberal (n=62)	38	61
Age 18-44 (n=108)	52	48
Age 45-64 (n=158)	36	63
Age 65+ (n=119)	22	78