



Regional Council of Governments & Economic Development District serving Cameron, Hidalgo, and Willacy County

RESOLUTION 2020-01

SUPPORTING PROPOSED RULE 3.334 THAT WILL PROVIDE CLARITY FOR CITIES AND LOCAL GOVERNMENT ENTITIES OF ALL SIZES TO RECEIVE THE LOCAL TAX REVENUE FROM ONLINE PURCHASES TO WHICH THEY ARE ENTITLED

WHEREAS, the Lower Rio Grande Valley Development Council (LRGVDC), the regional Council of Governments serving and representing over 1.3 million residents of Cameron, Hidalgo, and Willacy Counties; and,

WHEREAS, the LRGVDC advocates for the region's vast economic and community impact while encouraging cooperation among units of government to improve the region's health, safety, and general welfare; and,

WHEREAS, the internet has revolutionized the modern shopping experience, impacting sales tax collection and its distribution – therefore the 86th Texas Legislature passed HB 1525 and HB 2153; and,

WHEREAS, these laws address the collection of state and local sales taxes from remote sellers that have no physical presence in Texas; and,

WHEREAS, a large majority of Texas cities and rural communities are losing revenue they need to provide services to taxpayers who actually made purchases through the internet; and,

WHEREAS, the sales and use tax revenue is being sent to cities that have economic development agreements with businesses, this creates an unfair and unbalanced approach to efforts to clarify the sales tax policy; and,

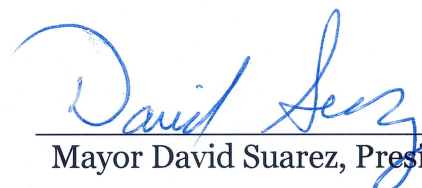
WHEREAS, Taxpayers pay local sales tax for online purchases for the benefit of their communities and they may not be aware that the revenue from their sales tax is being distributed to businesses in other cities; and,

WHEREAS, the cities and jurisdictions of the LRGVDC strongly support state policy development that would keep tax revenue in local communities as opposed to exporting the revenues; and,

WHEREAS, local sales tax should be tied to the governmental unit of the location to which the items are shipped and delivered,

NOW, THEREFORE BE IT RESOLVED by the cities and counties represented by the Lower Rio Grande Valley Development Council that the Tax Policy Division of the Office of the Comptroller of Public Accounts enact the rule change without delay of action to ensure that all local entities receive their fair share of local tax revenue from rising internet sales, and local sales tax revenue will cease to be shifted away from its intended beneficiaries.

Adopted this 26th day of February 2020



Mayor David Suarez, President