

# **Bond Case Briefs**

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## **TAX - ARKANSAS**

### **Hotels.com, L.P. v. Pine Bluff Advertising and Promotion Com'n**

**Supreme Court of Arkansas - October 10, 2013 - S.W.3d - 2013 Ark. 392**

City advertising and promotion commission, county, and city brought class action against online travel companies (OTC) alleging that the OTCs had failed to collect, or collected and failed to remit, full amount of gross-receipts taxes imposed by government entities on hotel accommodations. The Circuit Court granted class certification. OTCs appealed.

The Supreme Court of Arkansas held that:

- Commission was not required to exhaust any administrative remedies;
- County and city were not required to exhaust any administrative remedies; and
- Predominance requirement for class certification was satisfied.

Common issues predominated over individual issues, and therefore the predominance requirement for class certification was satisfied in declaratory judgment action by city advertising and promotion commission, county, and city concerning the applicability of their respective gross-receipts taxes to OTCs. Although there may have been variances in the tax ordinances of the commissions, counties, and cities, each ordinance was derived from the same respective statutes permitting commissions, counties, and cities to levy such taxes. Declaratory judgment as to whether the OTCs' business transactions fell within the scope of the statutory language governing the tax was an overarching issue that could be resolved before a determination of whether the respective ordinances of each commission, county, or city contained the same language as the statutes on which they were premised.