

"AN ACT TO AMEND SECTION 12 OF ACT 386 OF 1941, AS AMENDED, TO REQUIRE THE POSTING OF A TWO HUNDRED FIFTY DOLLARS (\$250.00) DEPOSIT PRIOR TO THE ISSUANCE OF ANY NEW ARKANSAS GROSS RECEIPTS TAX PERMIT; TO PROVIDE FOR THE REFUND OF THE DEPOSIT UPON DISCONTINUANCE OF BUSINESS OR AFTER SIX (6) MONTHS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 12 of Act 386 of 1941, as amended, the same being Ark. Stat. Ann. 84-1913, is hereby amended to read as follows:

"Section 12. It shall be unlawful for any taxpayer to transact business within this State prior to issuance and receipt of an Arkansas Gross Receipts Tax Permit by the Commissioner of Revenue. Every taxpayer shall file with the Commissioner an application for a permit to conduct said business, setting forth information as the Commissioner may require. The application shall be signed by the owner of the business as a natural person, or, in the case of a corporation, by a legally constituted officer thereof. Any taxpayer who engages in business without a permit, or after a permit has been suspended, shall be subject to the provisions and sanctions set forth in the Arkansas Tax Procedure Act, Ark. Stat. Ann. 84-4701 - 84-4744.

A separate permit for each business location must be obtained from the Commissioner. The permit shall not be assignable and shall be valid only for the person in whose name it is issued and for business transactions at the place designated therein. The permit shall at all times be conspicuously displayed at the place of business for which the permit was issued. This permit shall be in addition to all other permits now or hereafter required by the statutes of the State of Arkansas.

Effective July 1, 1987, the Commissioner shall require, prior to the issuance of any new Arkansas Gross Receipts Tax permit, a deposit of two hundred fifty dollars (\$250.00) which shall be attached with each new application for a permit. This sum shall be credited to the account of the taxpayer and used as a credit against future Arkansas Gross Receipts taxes due. If, upon discontinuance of the business or at the end of six (6) months there remains a credit balance, the taxpayer may apply for a refund of such credit balance on forms to be forwarded by the Commissioner at that time. Each request for refund shall be subject to verification by audit of the Commissioner if he deems necessary.

Any taxpayer operating under a permit as provided in this Act shall, upon discontinuance of business by sale or otherwise return said permit to the Commissioner for cancellation together with a remittance of any unpaid or accrued taxes. Failure to surrender a permit and pay any and all accrued taxes shall be sufficient cause for the Commissioner to refuse the issuance of any permit in the future to such taxpayer to engage in or transact any other business in this State. In the case of a sale of any business, the tax shall be deemed to be due at the time of the sale of the fixtures and equipment incident to such business and shall constitute a lien against the stock and such fixtures and equipment in the hands of the purchaser thereof or any other third party until such tax is paid. The Commissioner shall not issue a permit to continue or conduct said business to the purchaser thereof until all tax claims due in the State of Arkansas hereunder have been settled and paid.

All proceedings relative to the issuance, revocation, or suspension of a permit under this section shall be governed by the provisions of the Arkansas

Tax Procedure Act, Ark. Stat. Ann. 84-4701 - 84-4744."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly of the State of Arkansas that a deposit should be required by the Commissioner of Revenue prior to the issuance of any new Arkansas Gross Receipts Tax permits and to provide a method allowing a credit against future Arkansas Gross Receipts Tax due against the deposit which has been posted. Said system shall insure the initial payment of Arkansas Gross Receipts Tax for new business and prevent the abusive use of permits for resale purchases only. Therefore, an emergency is declared to exist and this legislation shall be in effect on or after July 1, 1987.

APPROVED: 3/23/87
