

Act 38 of the 1989 Regular Session.

Act 38

SB106

By: Senators Gordon, Fitch, Dowd, Cassady, Gibson, Walters, Ingram,
Bearden, Luelf, and Benham

"AN ACT TO IMPOSE A TWO PERCENT GROSS RECEIPTS TAX ON CERTAIN
ITEMS RELATED TO TOURISM; AND FOR OTHER PURPOSES."

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

SECTION 1. For the purposes of this Act,

(1) "Camping fees" means fees for furnishing camping spaces or trailer spaces on less than a month-to-month basis.

(2) (A) "Tourist attraction" means theme parks, water parks, water slides, river boat and lake boat cruises and excursions, local sightseeing and excursion tours, helicopter tours, excursion railroads, carriage rides, horse racing, dog racing, car racing, indoor and outdoor plays or music shows, folk centers, observation towers, privately owned or operated museums, privately owned historic sites or buildings, and natural formations such as springs, bridges, rock formations, caves and caverns.

(B) "Tourist attraction" shall not include:

(i) special events;

(ii) events of a school, college or university; or

(iii) events of restaurants, coffee shops, dinner theaters which admit dinner guests only, cafes, cafeterias and other public eating establishments which are open for business every month of the year.

(3) "Special events" means any attraction, festival or other event of not more than fourteen (14) days duration.

(4) "Watercraft" means boats, canoes, kayaks, sailboats, party barges, rafts, jet skis, houseboats, and amphibious vehicles. 'Watercraft' shall not include tug boats and barges.

SECTION 2. In addition to all other taxes, there is levied an excise tax of two percent (2%) on the gross proceeds or gross receipts derived from the sale or rental of the following:

(1) The service of furnishing condominiums to transient guests. The service of furnishing guest rooms by hotels, motels, lodging houses, and tourist camps or courts to transient guests. The term "transient guests" being defined for the purpose of this subdivision as those who rent accommodations, other than their regular place of abode, on less than a month-to-month basis.

(2) Camping fees at public or privately owned campgrounds, except for federal campgrounds;

(3) The following items rented by boat docks, marinas, canoe and raft rentals, or other business engaged in the rental of watercraft:

(A) watercraft,

(B) boat motors and related motor equipment,

(C) life jackets and cushions,

(D) water skis, or

(E) oars or paddles.

(4) The admission price to tourist attractions.

SECTION 3. (a) The gross receipts or gross proceeds derived from rentals

or sales of items subject to the tax levied by this Act by the State of Arkansas, any county, any municipality, or any other political subdivision of the state shall not be exempt from the tax.

(b) The gross receipts or gross proceeds derived by a church or charitable organization from the admission price to a tourist attraction shall not be exempt from the tax levied by this Act; however, the gross receipts or gross proceeds derived from the sale or rental of other tangible personal property or services by a church or charitable organization shall be exempt from the tax imposed by this Act, except where the organization is engaged in business for profit.

SECTION 4. There is specifically exempted from the tax imposed by this Act the following:

(1) The gross receipts or gross proceeds derived from the sale or rental of tangible personal property or services to the Boy Scouts of America, chartered by the United States Congress in 1916, or the Girls Scouts of America, chartered by the United States Congress in 1950, or any of the scout councils in the State of Arkansas;

(2) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or services to the Boys Clubs of America, chartered by the United States Congress in 1956, or any local councils or organizations of the Boys Clubs of America;

(3) The gross receipts or gross proceeds derived from the sale or rental of tangible personal property or services to the Girls Clubs of America, or any local councils or organizations of the Girls Clubs of America; or

(4) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or services to 4-H Clubs and FFA Clubs in this state, to the Arkansas 4-H Foundation, the Arkansas Future Farmers of America Foundation, and the Arkansas Future Farmers of America Associations.

SECTION 5. Except as provided in this Act, the tax imposed by this Act shall be collected, reported and paid in the same manner and at the same time as prescribed by law for the collection, reporting, and payment of all other Arkansas gross receipts taxes.

SECTION 6. (a) The revenues derived from the tax proposed by this Act shall be remitted to the State Treasurer who shall deposit the same in the State Treasury as special revenues and shall credit the same to a special trust fund to be known as the "Tourism Development Trust Fund," which is hereby created on the books of the State Treasurer, State Auditor, and the Chief Fiscal Officer of the State.

(b) All funds collected under this Act and credited to the "Tourism Development Trust Fund" shall be used by the Department of Parks and Tourism exclusively for the promotion of tourism in Arkansas.

SECTION 7. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

APPROVED: February 10, 1989
