

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/15/01

A Bill

Act 1064 of 2001
SENATE BILL 775

5 By: Senator Riggs
6 By: *Representative Teague*
7

For An Act To Be Entitled

10 AN ACT TO AMEND ARKANSAS CODE 26-52-301
11 PERTAINING TO GROSS RECEIPTS TAX ON
12 TELECOMMUNICATION SERVICES; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15 TO AMEND ARKANSAS CODE 26-52-301
16 PERTAINING TO GROSS RECEIPTS TAX ON
17 TELECOMMUNICATION SERVICES.
18

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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code 26-52-301(3)(A), concerning the levy of gross
24 receipts tax on telecommunication services, is amended to read as follows:

25 (3)(A)(i) Service by telephone, telecommunications, and telegraph
26 companies to subscribers or users, including transmission of messages or
27 images, whether local or long distance.

28 (ii) Taxable services shall include basic local service
29 and rental charges, including all installation and construction charges and
30 all service and rental charges having any connection with transmission of any
31 message or image.

32 (iii) Except as provided in subdivision (3)(A)(iv) of this
33 section, taxable long distance services shall include:

34 (a) Long distance messages which originate and
35 terminate within this state;

36 (b) Interstate long distance messages which

1 originate within this state and terminate outside this state and are billed
2 to an Arkansas telephone number or customer location; and

3 (c) Interstate long distance messages which
4 originate outside of this state and terminate within this state and are
5 billed to an Arkansas telephone number or customer location.

6 (iv) However, the following services shall not be subject
7 to the tax:

8 (a) Any interstate private communications service
9 which is not accessible by the public;

10 (b) Any interstate service which allows access to
11 private telephone lines and which is not accessible by the public;

12 (c) Any interstate-wide area telecommunications
13 service or other similar service which entitles the subscriber to make or
14 receive an unlimited number of communications to or from persons having
15 telecommunications service in a specified area which is outside the state in
16 which the station provided with this service is located; or

17 (d) Any telephone or telecommunication services paid
18 by utilizing a prepaid telephone calling card or prepaid authorization number
19 as provided in § 26-52-314.

20 (v)(a) This tax shall apply to all customer access line
21 charges billed to an Arkansas telephone number. Access line charges are those
22 charges associated with or for access to the long distance network.

23 (b) However, access or other telecommunication
24 services provided to telephone, telegraph, or telecommunications companies
25 which will be used to provide telecommunications services shall not be
26 subject to this tax.

27 (vi)(a) Charges for nontaxable services, that are
28 aggregated with other charges for communications services that are taxable
29 and are not separately stated on the bill or invoice shall not be subject to
30 the gross receipts tax if the seller can reasonably identify the nontaxable
31 charges on the seller's books and records kept in the regular course of
32 business.

33 (b) If the nontaxable charges cannot reasonably be
34 identified, the gross receipts from the sales of both taxable and nontaxable
35 communication services billed on a combined basis shall be attributed to the
36 taxable communication services.

