

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.

Act 179 of the Regular Session

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

*As Engrossed: S2/14/07*

**A Bill**

SENATE BILL 279

5 By: Senator Hill  
6 By: Representative Maloch  
7  
8

**For An Act To Be Entitled**

9  
10 AN ACT TO PROVIDE CONSISTENCY WITH THE  
11 STREAMLINED SALES AND USE TAX AGREEMENT; TO  
12 PROVIDE A REBATE FOR LOCAL TAX PAID ON SINGLE  
13 TRANSACTIONS; AND FOR OTHER PURPOSES.  
14

**Subtitle**

15  
16 TO PROVIDE CONSISTENCY WITH THE  
17 STREAMLINED SALES AND USE TAX AGREEMENT  
18 AND TO PROVIDE A REBATE FOR LOCAL TAX  
19 PAID ON SINGLE TRANSACTIONS.  
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 5 is amended  
25 to add an additional section to read as follows:

26 26-52-523. Rebates on local sales and use tax.

27 (a) As used in this section:

28 (1) "Qualifying purchase" means a purchase of tangible personal  
29 property or a taxable service:

30 (A) For which the purchaser may take a business expense  
31 deduction pursuant to 26 U.S.C. § 162, as in effect on January 1, 2007;

32 (B) For which the purchaser may take a depreciation  
33 deduction pursuant to 26 U.S.C. § 167, as in effect on January 1, 2007;

34 (C) By an exempt organization under 26 U.S.C. § 501, as in  
35 effect on January 1, 2007, if the purchase would be subject to a business



1 expense deduction or depreciation deduction if the purchaser were not an  
2 exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007;  
3 or

4 (D) By a state, or any county, city, municipality, school  
5 district, state-supported college or university, or any other political  
6 subdivision of a state, if the purchase would be subject to a business  
7 expense deduction or depreciation deduction if the purchaser were not one (1)  
8 of the entities enumerated in this subdivision.

9 (2) "Single Transaction" means any sale of tangible personal  
10 property or a taxable service reflected on a single invoice, receipt, or  
11 statement for which an aggregate sales or use tax amount has been reported  
12 and remitted to the state for a single local taxing jurisdiction.

13 (b)(1) A purchaser that pays any municipal sales or use tax in excess  
14 of the tax due on the first two thousand five hundred dollars (\$2,500) of  
15 gross receipts or gross proceeds from a qualifying purchase of tangible  
16 personal property or a taxable service in a single transaction is entitled to  
17 a credit or rebate of the excess amount of municipal sales or use tax paid on  
18 each single transaction.

19 (2) A purchaser that pays any county sales or use tax in excess  
20 of the tax due on the first two thousand five hundred dollars (\$2,500) of  
21 gross receipts or gross proceeds from a qualifying purchase of tangible  
22 personal property or a taxable service in a single transaction is entitled to  
23 a credit or rebate of the excess amount of county sales or use tax paid on  
24 each single transaction.

25 (c)(1) A purchaser that is required by § 26-52-501, § 26-52-509, or §  
26 26-53-125 to file a sales or use tax return may file a claim for a credit or  
27 rebate under this section with the Director of the Department of Finance and  
28 Administration in connection with the sales or use tax return, and offset the  
29 amount of credit or rebate claimed against any municipal or county sales or  
30 use tax due to be remitted with the return.

31 (2) A purchaser that qualifies for a credit or rebate under this  
32 section and is not required to file a sales or use tax return as provided in  
33 subdivision (c)(1) of this section may file a claim for a credit or rebate  
34 under this section with the director.

35 (d) No credit or rebate under this section shall be paid for any claim  
36 filed after six (6) months from the date of the qualifying purchase or after

1 six (6) months from the date of payment, if later.

2 (e) A claim for a credit or rebate under this section shall be filed  
3 with the local taxing jurisdiction if, at the time the claim is filed, the  
4 local sales or use tax that is the subject of the claim has been out of  
5 existence for more than sixty (60) days.

6 (f) No interest shall accrue or be paid on an amount subject to a  
7 claim for a credit or rebate under this section.

8 (g) The director may promulgate rules to administer this section,  
9 including without limitation providing an administratively feasible method  
10 for filing a claim for a credit or rebate and any necessary forms.

11 (h) This section does not apply to a local sales tax levied in  
12 accordance with § 26-52-303 or § 26-75-502.

13 (i) Except as provided in subsection (h) of this section, this section  
14 applies to any local sales or use tax collected by the director pursuant to  
15 any state tax law authorizing a county or municipality to levy a sales or use  
16 tax.

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18 SECTION 2. Section 1 of this act is effective on January 1, 2008.

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20 /s/ Hill

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22 APPROVED: 3/1/2007