Hall of the House of Representatives

84th General Assembly - Regular Session, 2003
Amendment Form

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Subtitle of House Bill No. 2377

"TO AMEND ACT 182 OF 2003 REGARDING COMPUTER SOFTWARE, APPLICATION

SOFTWARE, AND SOFTWARE MAINTENANCE."

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Amendment No. 1 to House Bill No. 2377.

Amend House Bill No. 2377 as originally introduced:

Page 1, line 10, delete "COMPUTER" and substitute "SYSTEM"

AND

Page 1, line 11, delete "SOFTWARE" and substitute "SYSTEM SOFTWARE"

AND

Page 1, line 12, delete "COMPUTER" and substitute "SYSTEM"

AND

Page 1, line 13, delete "SOFTWARE, APPLICATION SOFTWARE, OR" and substitute "SOFTWARE OR SYSTEM"

AND

Delete all language after the enacting clause and substitute the following:
     "SECTION 1. Arkansas Code § 15-4-2703, as amended by Act 182 of 2003, is amended to add an additional subdivision to read as follows:
          (39)(1) "Application software" means the programming system or technical language designed either for application in a specialized use or upon which, or by means of which, a plan for the solution of a particular problem is based.
               (2) "Application software" can typically be transferred from one computer to another.
               (3) Examples of application software include:
                    (A) Payroll processing;
                    (B) General ledger;
                    (C) Sales management;
                    (D) Spreadsheets; and
                    (E) Word processing.

(40) "System software" means:

(A) All of the software used to operate, maintain, and manage a computer system, including the operating system, utility programs, and other programs that help to operate, maintain, and manage one (1) or more resources on a computer system; and

(B) Programs used to analyze, organize, sort, correlate, format, standardize, cleanse, or correct data that is being prepared, organized, or stored for use by application programs.

(41) "System software maintenance" means any, all, or a combination of the following:

(A) Technical consultation or support service provided by telephone or onsite visits;

(B) Corrections of errors, malfunctions, or bugs in the system software;

(C) Provisions for enhancement of, or upgrades to, the system software;

(D) Revisions to operating manuals for the system software; or

(E) Training services.

SECTION 2. Arkansas Code § 15-4-2706(d)(2), as amended by Act 182 of 2003, is amended to add an additional subdivision to read as follows:

(C)(i)(a) A sales or use tax refund on the purchase or license of system software or system software maintenance for a qualified computer-related business shall be authorized by the Director of the Department of Finance and Administration.

(b) A refund of sales and use taxes imposed by a municipality or county shall be allowed if the municipality or county has authorized the refund in an endorsement resolution that was submitted along with the application to the Department of Economic Development.

(c) Sales tax refunds shall not be available for application software.

(ii) "Qualified computer-related business" means a business that has an annual payroll of over five million dollars ($5,000,000) and pays average hourly wages that exceed one hundred fifty percent (150%) of the county average wage in which the business is located."

The Amendment was read _____
By: Representative Scroggin
JSE/RR - 031320031255
TWO269   _____
                                                                                        Chief Clerk