

**Hall of the House of Representatives**  
84th General Assembly - Regular Session, 2003  
**Amendment Form**

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**Subtitle of House Bill No. 2693**

"AN ACT PROVIDING THAT GROSS RECEIPTS TAX SHALL APPLY TO FEES PAID FOR  
CERTAIN SERVICES."

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**Amendment No. 1 to House Bill No. 2693.**

Amend House Bill No. 2693 as originally introduced:

Delete everything after the enacting clause and substitute the following:

“SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 3 is amended by adding additional sections to read as follows:

26-52-315. Attorneys.

(a) As used in this section unless the context otherwise requires:

(1) "Attorney" means:

(A) Any person licensed to practice law in the state or federal courts in Arkansas;

(B) Any partnership, association, or corporation of licensed attorneys; and

(C) Any attorney licensed by another state, who provides services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed;

(3) "Practice of law" means any service related to the legal representation of clients including, but not limited to, acts included in § 16-22-501(a), which involves conduct regulated by the Arkansas Supreme Court; and

(4) "Services" means all acts, work, or representation rendered, furnished, or performed for a valuable consideration by any person engaged in the practice of law for a consumer or client other than an employer.

(b) All fees and compensation collected by any attorney for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Tax Act of 1941, § 26-52-101 et seq.

(d)(1) Any attorney required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit for the purpose of identification.

(2) The provisions of § 26-52-501(a), and § 26-18-206 making it



unlawful to operate a business without a permit shall not apply to the practice of law by an attorney.

(3) The provisions of § 26-18-702 allowing the director to enjoin the operation of a business shall not apply to the practice of law by an attorney.

26-52-316. Accountants.

(a) For purposes of this section:

(1) "Accountant" means any person, partnership, corporation, limited liability company, or other entity certified or licensed under § 17-12-301, § 17-12-312 or §§ 17-12-401 through 17-12-404 or any accountant certified or licensed by another state, who performs services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed;

(3) "Practice of public accounting" means the performance of professional services as defined in this section, or the performance of professional services while using the title or designation of certified public accountant, public accountant, CPA, PA, accountant, or auditor;

(4) "Professional services" means services arising out of or related to the specialized knowledge or skills performed by certified public accountants or public accountants; and

(5) "Services" means all acts, work, or professional services rendered, furnished, or performed, for a valuable consideration by any person engaged in the practice of public accounting for a consumer or client other than an employer.

(b) All fees and compensation collected by any accountant for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any accountant required to collect and remit gross receipts taxes on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-317. Engineers.

(a) For purposes of this section:

(1) "Engineer" means any person, firm, partnership, corporation, limited liability company, or other entity who is a professional engineer as defined by § 17-30-101 or who engages in the practice of engineering as defined by § 17-30-101, or who is registered as an engineer by another state, who performs services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in the practice of engineering for a consumer or client other than an employer.

(b) All fees and compensation collected by any engineer for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any engineer required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-318. Architects.

(a) For purposes of this section:

(1) "Architect" means any person, firm, partnership, corporation, limited liability company, or other entity who is an architect as defined by § 17-15-102 or who engages in the practice of architecture as defined by § 17-15-102 or who is registered as an architect by another state, who performs services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in the practice of architecture for a consumer or client other than an employer.

(b) All fees and compensation collected by any architect for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any architect required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-319. Computer consultants.

(a) For purposes of this section:

(1) "Computer consultant" means any person, firm, partnership, corporation, limited liability company, or other entity who installs, maintains, repairs, or updates computer hardware or software or who provides technical support or assistance in the purchase, installation, maintenance, repair or updating of computer hardware or software;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in computer consulting for a consumer or client other than an employer.

(b) All fees and compensation collected by any computer consultant for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any computer consultant required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a

sales tax permit as provided by § 26-52-501.

26-53-320. Landscape architects.

(a) For purposes of this section:

(1) "Landscape architect" means any person, firm, partnership, corporation, limited liability company, or other entity who is a landscape architect as defined by § 17-36-102 or who engages in landscape architecture as defined by § 17-36-102, or who is licensed as a landscape architect by another state, who performs services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in landscape architecture for a consumer or client other than an employer.

(b) All fees and compensation collected by any landscape architect for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any landscape architect required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-321. Interior Designers.

(a) For purposes of this section:

(1) "Interior designer" means any person, firm, partnership, corporation, limited liability company, or other entity who installs, maintains, repairs, or updates computer hardware or software or who provides the service of designing or decorating the interiors of houses or buildings, counseling with respect to such designing or decoration, or the procurement of furniture, fixtures, or home or building decorations;

(2) "Employer" shall mean and include those who have a right to exercise control as to how, when, and where services are to be performed; and

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in interior design for a consumer or client other than an employer.

(b) All fees and compensation collected by any interior designer for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any interior designer required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-322. Environmental consultants.

(a) For purposes of this section:

(1) "Environmental consultant" means any person, firm,

partnership, corporation, limited liability company, or other entity who provides environmental consulting services;

(2) "Environmental consulting services" includes services provided by environmental scientists, engineers, and other experts and establishments that primarily engage in providing advice and assistance to businesses and other organizations on environmental issues, such as the control of environmental contamination from pollutants, toxic substances, and hazardous materials;

(3) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(4) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in environmental consulting for a consumer or client other than an employer.

(b) All fees and compensation collected by any environmental consultant for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any environmental consultant required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

#### 26-52-323. Management consultants.

(a) For purposes of this section:

(1) "Management consultant" means any person, firm, partnership, corporation, limited liability company, or other entity who provides environmental consulting services;

(2) "Management consulting" means furnishing advice and assistance to businesses and other organizations on management issues, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies; human resource policies, practices and planning; production scheduling; and control planning;

(3) "Employer" means those who have a right to exercise control as to how, when, and where services are to be performed; and

(4) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in management consulting for a consumer or client other than an employer.

(b) All fees and compensation collected by any management consultant for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(c) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(d) Any management consultant required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the

General Assembly of the State of Arkansas that revenue available for the support of necessary state services has declined during the last twelve (12) months as a result of the nationwide economic slowdown; that without additional revenue, some state services will be reduced or eliminated; that some Arkansans will suffer as a result of service reductions or cuts; and that this act will provide the necessary revenue to avoid state service reductions or cuts. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003."

The Amendment was read \_\_\_\_\_  
By: Representative Mahony  
LDH/JMB - 031120031608  
JMB375

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Chief Clerk