

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Russ**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND THE GROSS RECEIPTS TAX PROVISIONS AND
9 COMPENSATING USE TAX PROVISIONS TO EXEMPT THE SALE OF
10 MAILING LISTS; TO EXEMPT THE PURCHASE OF INFORMATION USED
11 IN CREATING MAILING LISTS FROM THE ARKANSAS GROSS RECEIPTS
12 AND ARKANSAS COMPENSATING USE TAXES; AND FOR OTHER
13 PURPOSES."

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

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17 SECTION 1. SHORT TITLE. This act may be known and cited as "Technology
18 and Information Services Tax Clarification Act for the State of Arkansas."

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20 SECTION 2. PURPOSE. The purpose of this act is to enact an exemption
21 from the Arkansas Gross Receipts Tax and Compensating Use Tax. It is found
22 and determined by the General Assembly that technological advances in the
23 computer and information industries and the emergence of a service-based
24 economy have created an uncertainty as to whether certain transactions are
25 subject to the gross receipts and compensating use taxes. This act is
26 intended to clarify the tax status of such transactions.

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28 SECTION 3. Arkansas Code 26-52-401 is hereby amended to add a new
29 subsection (28) to read as follows:

30 "(28) (A) (1) Gross receipts and gross proceeds derived from the sale of
31 mailing lists, unique databases, or services performed in creating mailing
32 lists or unique databases.

33 (2) Gross receipts or gross proceeds derived from the sale of
34 information used to create mailing lists or unique databases.

35 (B) For the purpose of this section, the term unique database means a

1 collection of information in printed, magnetic, or electronic form created to
2 the specifications of a specific customer."

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4 SECTION 4. Arkansas Code Title 26, Chapter 53, is hereby amended to add
5 a new section 26-53-132 to read as follows:

6 "26-53-132. Exemption of Certain Information.

7 (A) The storage, use, consumption, or distribution of information used
8 to create mailing lists or unique databases shall be exempt from the Arkansas
9 compensating tax imposed by Arkansas Code 26-53-101 et seq.

10 (B) For the purpose of this section, the term unique database shall
11 mean a collection of information in printed, magnetic, or electronic form
12 created to the specifications of a specific customer."

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14 SECTION 5. All provisions of this act of a general and permanent nature
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 6. If any provision of this act or the application thereof to
19 any person or circumstance is held invalid, such invalidity shall not affect
20 other provisions or applications of the act which can be given effect without
21 the invalid provision or application, and to this end the provisions of this
22 act are declared to be severable.

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24 SECTION 7. All laws and parts of laws in conflict with this act are
25 hereby repealed.

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27 SECTION 8. EMERGENCY. It is hereby found and determined by the General
28 Assembly that the uncertainty regarding the application of the Gross Receipts
29 Tax and Compensating Use Tax has negatively affected the development and
30 expansion of technology and information services in the state and this act is
31 designed to correct this uncertainty. It is the stated policy of the General
32 Assembly to encourage economic development generally and the development of
33 high technology industries specifically. Therefore, an emergency is declared
34 to exist and this act being necessary for the preservation of the public
35 peace, health, and safety shall take effect and be in full force from and

1 after its passage and approval.

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