

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 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 1634

4
5 By: Representative Napper
6 By: Senator Argue

For An Act To Be Entitled

7
8
9
10 AN ACT TO AMEND § 26-52-301(6) OF THE ARKANSAS
11 GROSS RECEIPTS TAX ACT OF 1941; TO CLARIFY THE
12 TAXATION OF DUES AND FEES PAID TO HEALTH SPAS,
13 HEALTH CLUBS, FITNESS CLUBS, AND PRIVATE CLUBS;
14 AND FOR OTHER PURPOSES.

Subtitle

15
16
17 TO CLARIFY THE TAXATION OF DUES AND FEES
18 PAID TO HEALTH SPAS, HEALTH CLUBS,
19 FITNESS CLUBS, AND PRIVATE CLUBS.

20
21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. Arkansas Code § 26-52-301(6), concerning the gross receipts
25 tax, is amended to read as follows:

26 (6)(1) Dues and membership fees to health spas, health clubs, and
27 fitness clubs; dues and membership fees to private clubs within the meaning
28 of § 3-9-202(10)(A)(ii) which hold any permit from the Alcoholic Beverage
29 Control Board allowing the sale, dispensing, or serving of alcoholic
30 beverages of any kind on the premises+.

31 (2) No tax shall be levied for services provided by or through a
32 health spa, health club, fitness club, or private club unless it is taxable
33 under this chapter;

34
35 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
36 General Assembly of the State of Arkansas that the taxation of amounts billed



1 to members of health spas, health clubs, fitness clubs, and private clubs for
2 services not otherwise taxable under the Arkansas Gross Receipts Tax Act of
3 1941, § 26-52-101 et seq., is contrary to the legislative intent of § 26-52-
4 301(6); that this law clarifies the proper taxation of dues and membership
5 fees, which excludes amounts billed to a member of a heath spa, health club,
6 fitness club, or private club that are not within the meaning of the Arkansas
7 Gross Receipts Tax Act of 1941, § 26-52-101 et seq.; and that this act is
8 immediately necessary to ensure that the State of Arkansas properly and
9 correctly applies the tax on dues and membership fees. Therefore, an
10 emergency is declared to exist and this act being immediately necessary for
11 the preservation of the public peace, health, and safety shall become
12 effective on:

- 13 (1) The date of its approval by the Governor;
- 14 (2) If the bill is neither approved nor vetoed by the Governor,
15 the expiration of the period of time during which the Governor may veto the
16 bill; or
- 17 (3) If the bill is vetoed by the Governor and the veto is
18 overridden, the date the last house overrides the veto.

19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36