

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
4

As Engrossed: H3/13/03

A Bill

HOUSE BILL 1634

5 By: Representative Napper
6 By: Senator Argue
7

For An Act To Be Entitled

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

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

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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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) which hold any permit from the Alcoholic Beverage Control
29 Board allowing the sale, dispensing, or serving of alcoholic beverages of any
30 kind on the premises+.

31 (2)(A) Except as provided in subdivision (2)(B) of this section,
32 the gross receipts derived from services provided by or through a health spa,
33 health club, fitness club, or private club shall not be subject to gross
34 receipts tax unless the service is specifically enumerated as a taxable
35 service under this chapter.

36 (B) The gross receipts derived by a private club from the



1 charges to members for the preparation and serving of mixed drinks or for the
2 cooling and serving of beer and wine shall be subject to gross receipts tax
3 as well as any supplemental taxes as provided by law.
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5 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that the taxation of amounts billed
7 to members of health spas, health clubs, fitness clubs, and private clubs for
8 services not otherwise taxable under the Arkansas Gross Receipts Tax Act of
9 1941, § 26-52-101 et seq., is contrary to the legislative intent of § 26-52-
10 301(6); that this law clarifies the proper taxation of dues and membership
11 fees, which excludes amounts billed to a member of a heath spa, health club,
12 fitness club, or private club that are not within the meaning of the Arkansas
13 Gross Receipts Tax Act of 1941, § 26-52-101 et seq.; and that this act is
14 immediately necessary to ensure that the State of Arkansas properly and
15 correctly applies the tax on dues and membership fees. Therefore, an
16 emergency is declared to exist and this act being immediately necessary for
17 the preservation of the public peace, health, and safety shall become
18 effective on:

19 (1) The date of its approval by the Governor;

20 (2) If the bill is neither approved nor vetoed by the Governor,
21 the expiration of the period of time during which the Governor may veto the
22 bill; or

23 (3) If the bill is vetoed by the Governor and the veto is
24 overridden, the date the last house overrides the veto.

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26 /s/ Napper
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