

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

A Bill

HOUSE BILL 2266

5 By: Representatives Judy, King
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7

For An Act To Be Entitled

8 AN ACT TO TAX NONESSENTIAL SERVICES UNDER THE
9 GROSS RECEIPTS TAX ACT OF 1941, § 26-52-101 ET
10 SEQ.; AND FOR OTHER PURPOSES.
11
12

Subtitle

13 TO TAX NONESSENTIAL SERVICES UNDER THE
14 GROSS RECEIPTS TAX ACT OF 1941.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 26-52-301(3)(B)(i), regarding the levy of
21 an excise tax of three percent (3%) on the gross receipts or gross proceeds
22 derived from the sale of the items and services listed and under the Arkansas
23 Gross Receipts Act of 1941, § 26-52-101 et seq., is amended to read as
24 follows:

25 (B)(i) Service of furnishing rooms, suites, condominiums,
26 townhouses, rental houses, campground sites, or other accommodations by
27 hotels, apartment hotels, lodging houses, tourist camps, tourist courts,
28 property management companies, campground owners and operators, or any other
29 provider of accommodations to transient guests.
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31 SECTION 2. Arkansas Code § 26-52-301(3)(C)(vii), regarding the levy of
32 an excise tax of three percent (3%) on the gross receipts or gross proceeds
33 derived from the sale of the items and services listed and under the Arkansas
34 Gross Receipts Act of 1941, § 26-52-101 et seq., is repealed.

35 ~~(vii) The provisions of subdivision (3)(C)(i) of~~
36 ~~this section shall not apply to the services performed by a temporary or~~



1 ~~leased employee or other contract laborer on items owned or leased by the~~
2 ~~employer. The following criteria must be met for a person to be a temporary~~
3 ~~or leased employee:~~

4 ~~(a) There must be a written contract with the~~
5 ~~temporary employment agency, employee leasing company, or other contractor~~
6 ~~providing the services;~~

7 ~~(b) The employee, temporary employment agency,~~
8 ~~employee leasing company, or other contractor must not bear the risk of loss~~
9 ~~for damages caused during the performance of the contract. The person for~~
10 ~~whom the services are performed must bear the risk of loss; and~~

11 ~~(c) The temporary or leased employee or~~
12 ~~contract laborer is controlled by the employer as if he were a full-time~~
13 ~~permanent employee. "Control" includes, but is not limited to, scheduling~~
14 ~~work hours, designating work duties, and directing work performance.~~

15
16 SECTION 3. Arkansas Code § 26-52-301(3)(E)(iii)(b), regarding the levy
17 of an excise tax of three percent (3%) on the gross receipts or gross
18 proceeds derived from the sale of the items and services listed and under the
19 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., is amended to read
20 as follows:

21 (b) "Lawn care" means the maintenance,
22 preservation, or enhancement of ground covering of nonresidential property
23 and ~~does not include~~ includes planting trees, bushes and shrubbery, grass,
24 flowers, and other types of decorative plants and trimming or shaping trees,
25 bushes, shrubbery, grass, flowers, and other types of decorative plants.

26
27 SECTION 4. Arkansas Code § 26-52-301, regarding the levy of an excise
28 tax of three percent (3%) on the gross receipts or gross proceeds derived
29 from the sale of the items and services listed and under the Arkansas Gross
30 Receipts Act of 1941, § 26-52-101 et seq., is amended to add additional
31 subdivisions to read as follows:

32 (9) Services, including:

33 (A) Airplane charter;

34 (B) Bail bond;

35 (C) Bus charter;

36 (D) Court reporting;

- 1 (E) Drain cleaning;
- 2 (F) Gutter cleaning;
- 3 (G) Horse boarding, training, and shoeing;
- 4 (H) Interior design and decorating;
- 5 (I) Inspection;
- 6 (J) Limousine, where driver is included;
- 7 (K) Locksmith;
- 8 (L) Management consulting;
- 9 (M) Moving;
- 10 (N) Parking lot cleaning;
- 11 (O) Personal instruction including, but not limited to, the

12 following:

- 13 (i) Athletic or sport instruction;
- 14 (ii) Cooking instruction;
- 15 (iii) Dance instruction;
- 16 (iv) Flight instruction; and
- 17 (v) Martial arts instruction;
- 18 (P) Pest control;
- 19 (Q) Pet grooming and kennel;
- 20 (R) Private investigation;
- 21 (S) Security and alarm monitoring;
- 22 (T) Solid waste disposal and pickup;
- 23 (U) Taxidermy;
- 24 (V) Temporary help;
- 25 (W) Tree trimming;
- 26 (X) Water well drilling; and
- 27 (Y) Wrecker or towing;

28 (10) Personal services, including:

- 29 (A) Body piercing;
- 30 (B) Electrolysis;
- 31 (C) Facials;
- 32 (D) Hair cuts and styles;
- 33 (E) Laser hair removal;
- 34 (F) Manicures;
- 35 (G) Massage;
- 36 (H) Pedicures;

1 (I) Tatooin; and
2 (J) Any service performed at a beauty salon, barber shop, or
3 spa;

4 (11) Professional services, including:

- 5 (A) Accounting;
- 6 (B) Advertising agency;
- 7 (C) Appraisal;
- 8 (D) Architectural;
- 9 (E) Auctioneer;
- 10 (F) Barber;
- 11 (G) Beautician;
- 12 (H) Commercial art and graphic design;
- 13 (I) Engineering;
- 14 (J) Environmental consulting;
- 15 (K) Investment counseling;
- 16 (L) Legal process servers;
- 17 (M) Lobbying;
- 18 (N) Public relations;
- 19 (O) Surveying or mapping;
- 20 (P) Title abstracting and settlement services; and
- 21 (Q) Veterinary;

22 (12)(A) Services for clothing, fabrics, and other materials,
23 including:

- 24 (i) Drycleaning;
- 25 (ii) Laundry;
- 26 (iii) Repair;
- 27 (iv) Alteration; and
- 28 (v) Industrial laundering.

29 (B)(i) The provisions of this subdivision (12) shall not apply
30 to coin-operated laundry devices.

31 (ii) "Coin-operated laundry device" means, for the purpose
32 of this subdivision (12), washing or drying machines that are activated by
33 the insertion of coins or cards into a slot or receptacle and the labor of
34 washing or drying is performed solely by the customer or by mechanical
35 equipment;

36 (13) Computer services, including:

- 1 (A) Computer:
- 2 (i) Modifications; and
- 3 (ii) Repair;
- 4 (B) Computer software:
- 5 (i) Consulting;
- 6 (ii) Design;
- 7 (iii) Development; and
- 8 (iv) Programming; and
- 9 (C) Data or word processing;
- 10 (14) Advertising space in newspapers, in publications, and on
- 11 billboards;
- 12 (15) Advertising time sold by radio and television broadcasting
- 13 entities;
- 14 (16) Service charges from the following:
- 15 (A) Banking institutions; and
- 16 (B) Financial institutions;
- 17 (17) Fees, including:
- 18 (A) Employee leasing;
- 19 (B) Employment agency;
- 20 (C) Real estate management;
- 21 (D) Computer licensing fees; and
- 22 (E) Boat and motorized marine equipment storage and docking;
- 23 (18) The commissions on services provided by:
- 24 (A) Investment agents;
- 25 (B) Investment brokers;
- 26 (C) Real estate agents; and
- 27 (D) Real estate brokers;
- 28 (19) Travel and recreation services, including:
- 29 (A) Excursion tours;
- 30 (B) Fishing and hunting guide;
- 31 (C) Travel agency;
- 32 (D) Travel arrangement; and
- 33 (E) Travel reservation;
- 34 (20) Rentals, including:
- 35 (A) Cold storage space and units;
- 36 (B) Meeting rooms and conference space;

- 1 (C) Mini-storage units;
- 2 (D) Mini-warehouse units;
- 3 (E) Self-storage units; and
- 4 (21) The repair of guns and weaponry.

5

6 SECTION 5. Arkansas Code § 26-52-401(13), regarding the gross receipts
7 tax exemption for advertising space, is repealed:

8 ~~(13) Gross proceeds derived from sales of advertising space in~~
9 ~~newspapers and publications and billboard advertising services;~~

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11 SECTION 6. This act shall become effective on the first day of the
12 calendar month following the ninetieth day after the sine die adjournment of
13 this session or the first day of the calendar month following the ninetieth
14 day after a recess or adjournment for a period longer than ninety (90) days.