State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 2634

By: Representative Mahony

For An Act To Be Entitled

AN ACT TO LEVY A FOUR PERCENT (4%) PRIVILEGE TAX ON THE GROSS RECEIPTS OF SELLERS OF ELECTRICITY, NATURAL GAS, CABLE OR SATELLITE TELEVISION SERVICES, TELECOMMUNICATIONS SERVICES, AND PROPANE AND BUTANE IN THE STATE IN LIEU OF THE CORPORATION INCOME TAX; AND FOR OTHER PURPOSES.

Subtitle

TO LEVY A FOUR PERCENT (4%) PRIVILEGE TAX ON THE GROSS RECEIPTS OF SELLERS OF CERTAIN UTILITY SERVICES IN THE STATE IN LIEU OF CORPORATION INCOME TAX.

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

SECTION 1. (a)(1) Beginning July 1, 2003, there is levied and there shall be collected from every qualified business in this state a privilege tax for the privilege of doing business in the state that constitutes part of the operating overhead of the business.

(2) The tax shall be computed by multiplying the gross receipts of the qualified business for the tax period by four percent (4%).

(b) The tax levied in this section shall be in addition to all other taxes currently imposed, except as stated in subsection (c) of this section.

(c)(1) Any qualified business subject to the tax levied in this act shall be exempt from the corporation income tax levied by Arkansas Code § 26-51-205 beginning July 1, 2003 with respect to the gross receipts taxed by this act.

(2) Corporations that derive taxable Arkansas income from sources other than gross receipts for its sales of the utilities or services listed in section 1 shall continue to report and remit corporation income tax on that taxable income.

(3) No credits, losses, or any other amount that would otherwise be allowable to reduce the corporation income tax liability of a qualified business shall be allowed to reduce the taxable gross receipts of a qualified business.

SECTION 2. (a) The tax levied in this act shall be due and payable on or before the twentieth day of each month for the previous calendar month.

(b)(1) Each taxpayer subject to the tax imposed by this act shall file a return under oath on forms prescribed and furnished by the director stating the amount of its gross receipts for the previous calendar month.

(2) The return shall show any other information the director may require to enable him or her to correctly compute and collect the tax levied.