

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

SENATE BILL 335

5 By: Senators Miller, Wooldridge, Glover
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For An Act To Be Entitled

9 AN ACT TO CLARIFY THAT THE LIMITATIONS ON THE TWO
10 PERCENT (2%) DEDUCTION FOR PROMPT PAYMENT OF
11 STATE GROSS RECEIPTS TAX DOES NOT APPLY TO LOCAL
12 GROSS RECEIPTS TAX; TO REPEAL OUTDATED PROVISIONS
13 OF THE ARKANSAS CODE RELATED TO THE TWO PERCENT
14 (2%) DISCOUNT; AND FOR OTHER PURPOSES.
15

Subtitle

16 CLARIFIES THAT THE LIMITATION ON THE TWO
17 PERCENT (2%) DISCOUNT FOR PROMPT PAYMENT
18 OF GROSS RECEIPTS TAX DOES NOT APPLY TO
19 LOCAL GROSS RECEIPTS TAXES AND REPEALS
20 OUTDATED PROVISIONS OF THE CODE RELATED
21 TO THE TWO PERCENT (2%) DISCOUNT.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code § 14-164-333(b)(1)(B), pertaining to the
28 collection of local gross receipts tax for capital improvements, is amended
29 to read as follows:

30 (B)(i) When the sale price in the municipality or county
31 involves a fraction of a dollar, the two (2) combined taxes shall be added to
32 the sales price according to a schedule and bracket system formula
33 established by the director.

34 (ii) However, a retailer shall be entitled to ~~the~~
35 ~~same~~ a discount with respect to tax remitted under this subchapter ~~as is~~
36 ~~authorized for the collection and remission of gross receipts taxes to the~~



1 ~~state~~ as authorized in § 26-52-503.

2
 3 SECTION 2. Arkansas Code § 26-52-503(a), pertaining to the discount
 4 for prompt payment of gross receipts tax, is amended to read as follows:

5 (a) At the time of transmitting the returns required under this act to
 6 the director, the taxpayer shall remit therewith to the director ninety-eight
 7 percent (98%) of the state tax due under the applicable provisions of this
 8 act and ninety-eight percent (98%) of the city and county gross receipts
 9 taxes collected by the director.

10
 11 SECTION 3. Arkansas Code § 26-52-503(c), pertaining to the discount
 12 for prompt payment of gross receipts tax, is amended to read as follows:

13 (c)(1) For tax payments made on or after February 1, 1993, the
 14 discount for prompt payment of state tax shall not exceed one thousand
 15 dollars (\$1,000) per month for taxpayers filing monthly gross receipts tax
 16 reports. Taxpayers filing a tax report on a quarterly, annual, or occasional
 17 basis shall be entitled to the discount for state tax which shall not exceed
 18 one thousand dollars (\$1,000) for each month included in the tax report.

19 (2)(A) The aggregate state tax discount available to a taxpayer
 20 who operates more than one (1) permitted business location within this state
 21 and who does not file a consolidated monthly gross receipts tax report for
 22 all locations shall not exceed one thousand dollars (\$1,000) per month.

23 (B) In the case of a corporate taxpayer (parent
 24 corporation) that holds fifty percent (50%) or more of the outstanding shares
 25 of one (1) or more corporations (subsidiaries) which are subject to the tax
 26 imposed by § 26-52-101 et seq., the aggregate state tax discount available to
 27 the parent corporation and all subsidiaries shall not exceed one thousand
 28 dollars (\$1,000) per month.

29 (C) There shall be no limitation on the discount for
 30 prompt payment of city and county gross receipts taxes collected by the
 31 director.

32 ~~(3) If the Arkansas Public Service Commission determines that a~~
 33 ~~public utility is charging rates which reflect a dollar effect related to the~~
 34 ~~discount allowed under § 26-52-503 or § 26-52-512 prior to December 18, 1992,~~
 35 ~~the commission shall, upon application by the utility, change the rates of~~
 36 ~~the utility to recover an amount equal to the differential between the~~

1 ~~discount provided pursuant to § 26-52-503 or § 26-52-512 prior to December~~
 2 ~~18, 1992, and the discount provided by this section. If an application by a~~
 3 ~~public utility to change rates reflects only the reduction in revenues~~
 4 ~~resulting from this section, the utility shall not be required to give sixty~~
 5 ~~(60) days' notice under § 23-4-401 of its intention to change its rates, and~~
 6 ~~the proposed change in rates shall not be subject to suspension under § 23-4-~~
 7 ~~407 pending approval by the commission.~~

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 9 SECTION 4. Arkansas Code § 26-52-512(b)(4), pertaining to the discount
 10 for prompt payment of state gross receipts taxes, is hereby repealed.

11 ~~(4) If the Arkansas Public Service Commission determines that a~~
 12 ~~public utility is charging rates which reflect a dollar effect related to the~~
 13 ~~discount allowed under § 26-52-503 or § 26-52-512 prior to December 18, 1992,~~
 14 ~~the commission shall, upon application by the utility, change the rates of~~
 15 ~~the utility to recover an amount equal to the differential between the~~
 16 ~~discount provided pursuant to § 26-52-503 or § 26-52-512 prior to December~~
 17 ~~18, 1992, and the discount provided by this section. If an application by a~~
 18 ~~public utility to change rates reflects only the reduction in revenues~~
 19 ~~resulting from this section, the utility shall not be required to give sixty~~
 20 ~~(60) days' notice under § 23-4-401 of its intention to change its rates, and~~
 21 ~~the proposed change in rates shall not be subject to suspension under § 23-4-~~
 22 ~~407 pending approval by the commission.~~

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 24 SECTION 5. Arkansas Code § 26-75-212(a)(1)(C), pertaining to the
 25 collection of local gross receipts tax, is amended to read as follows:

26 (C)(i) Be recoverable at law in the same manner as the
 27 purchase price. When the sale price in the city shall involve a fraction of a
 28 dollar, the two (2) combined taxes shall be added to the sale price according
 29 to a schedule and bracket system formula established by the director.

30 (ii) A retailer shall be entitled to ~~the same a~~
 31 ~~discount with respect to tax remitted under this subchapter as is authorized~~
 32 ~~for the collection and remission of gross receipts taxes to the State of~~
 33 ~~Arkansas as authorized in § 26-52-503.~~

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 35 SECTION 6. Arkansas Code § 26-75-312(a)(1)(C), pertaining to the
 36 collection of local gross receipts tax, is amended to read as follows:

1 (C)(i) Be recoverable at law in the same manner as the
2 purchase price. When the sale price in the city shall involve a fraction of a
3 dollar, the two (2) combined taxes shall be added to the sale price according
4 to a schedule and bracket system formula established by the director.

5 (ii) A retailer shall be entitled to ~~the same a~~
6 discount with respect to tax remitted under this subchapter as is ~~authorized~~
7 ~~for the collection and remission of gross receipts taxes to the State of~~
8 ~~Arkansas as~~ authorized in § 26-52-503.

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