

1 State of Arkansas  
2 84th General Assembly  
3 First Extraordinary Session, 2003  
4

Call Item 17

# A Bill

HOUSE BILL 1036

5 By: Representative Judy  
6  
7

## For An Act To Be Entitled

9 AN ACT TO REDUCE THE MAXIMUM MONTHLY DISCOUNT FOR  
10 PROMPT PAYMENT OF GROSS RECEIPTS TAX TO ONE  
11 HUNDRED DOLLARS (\$100) PER MONTH; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

15 TO REDUCE THE MAXIMUM MONTHLY DISCOUNT  
16 FOR PROMPT PAYMENT OF GROSS RECEIPTS TAX  
17 TO ONE HUNDRED DOLLARS (\$100) PER MONTH.  
18  
19

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

22 SECTION 1. Arkansas Code § 26-52-503(a), regarding the discount for  
23 prompt payment of gross receipts tax, is amended to read as follows:

24 (a) At the time of transmitting the returns required under this act to  
25 the ~~director~~ Director of the Department of Finance and Administration, the  
26 taxpayer shall remit therewith to the director ninety-eight percent (98%) of  
27 the tax due under the applicable provisions of this act.  
28

29 SECTION 2. Arkansas Code § 26-52-503(c)(1), regarding the discount for  
30 prompt payment of gross receipts tax, is amended to read as follows:

31 (c)(1) ~~For tax payments made on or after February 1, 1993, the The~~  
32 ~~discount for prompt payment shall not exceed one thousand dollars (\$1,000)~~  
33 one hundred dollars (\$100) per month for taxpayers filing monthly gross  
34 receipts tax reports. Taxpayers filing a tax report on a quarterly, annual,  
35 or occasional basis shall be entitled to the discount which shall not exceed  
36 ~~one thousand dollars (\$1,000)~~ one hundred dollars (\$100) for each month



1 included in the tax report.

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

5 (2)(A) The aggregate discount available to a taxpayer who  
 6 operates more than one (1) permitted business location within this state and  
 7 who does not file a consolidated monthly gross receipts tax report for all  
 8 locations shall not exceed ~~one thousand dollars (\$1,000)~~ one hundred dollars  
 9 (\$100) per month.

10 (B) In the case of a corporate taxpayer (parent  
 11 corporation) that holds fifty percent (50%) or more of the outstanding shares  
 12 of one (1) or more corporations (subsidiaries) which are subject to the tax  
 13 imposed by § 26-52-101 et seq., the aggregate discount available to the  
 14 parent corporation and all subsidiaries shall not exceed ~~one thousand dollars~~  
 15 ~~(\$1,000)~~ one hundred dollars (\$100) per month.

16  
 17 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
 18 General Assembly of the State of Arkansas that due to an economic decline,  
 19 the state is experiencing budget shortfalls for general revenue; that due to  
 20 the budget shortfalls, the state must either cut programs or increase  
 21 revenues; that the retailer discount for sales tax was originally implemented  
 22 to offset the labor that retailers expended to prepare the reports before the  
 23 widespread use of computers; that the widespread use of computers has reduced  
 24 the labor necessary to prepare the tax reports; that by reducing the retailer  
 25 discount, the state can increase revenue without raising taxes; and that this  
 26 act is immediately necessary to help to fund the 2004 and 2005 fiscal year  
 27 state budgets and to continue to provide essential services to the citizens  
 28 of the State of Arkansas. Therefore, an emergency is declared to exist and  
 29 this act being necessary for the preservation of the public peace, health,  
 30 and safety shall become effective on July 1, 2003.