

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

As Engrossed: H1/21/04 H1/23/04
A Bill

Call Item 6

HOUSE BILL 1124

5 By: Representative Hickinbotham
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7

For An Act To Be Entitled

9 AN ACT TO REPEAL THE DISCOUNT FOR PROMPT PAYMENT
10 OF SALES TAXES; AND FOR OTHER PURPOSES.

Subtitle

13 TO REPEAL THE DISCOUNT FOR PROMPT
14 PAYMENT OF SALES TAXES.

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 26-52-503, providing a discount for the
20 prompt payment of sales taxes, is repealed.

21 ~~26-52-503. Discount for prompt payment.~~

22 ~~(a) At the time of transmitting the returns required under this act to~~
23 ~~the Director of the Department of Finance and Administration, the taxpayer~~
24 ~~shall remit therewith to the director ninety eight percent (98%) of the state~~
25 ~~tax due under the applicable provisions of this act and ninety eight percent~~
26 ~~(98%) of the city and county gross receipts taxes collected by the director.~~

27 ~~(b) Failure of the taxpayer to remit such tax on or before the~~
28 ~~twentieth day of such applicable month shall cause the taxpayer to forfeit~~
29 ~~his claim to the discount, and he must remit to the director one hundred~~
30 ~~percent (100%) of the amount of tax plus any penalty and interest due.~~

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



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

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

11 ~~(C) There shall be no limitation on the discount for~~
12 ~~prompt payment of city and county gross receipts taxes collected by the~~
13 ~~director.~~

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15 SECTION 2. Arkansas Code § 26-52-512(b), concerning tax payments by
16 retailers, is amended to read as follows:

17 ~~(b)(1) Every taxpayer who timely remits the prepayments required by~~
18 ~~subsection (a) of this section and who timely files and pays his monthly~~
19 ~~gross receipts tax report shall be entitled to a discount. The discount shall~~
20 ~~be the lesser of two percent (2%) of the reported monthly gross tax, or one~~
21 ~~thousand dollars (\$1,000).~~

22 ~~(2)(A) (b)(1) Failure to pay tax prepayments when due shall~~
23 ~~result in the assessment of a penalty equal to five percent (5%) of the~~
24 ~~amount of each required tax prepayment.~~

25 ~~(B) (2) If a taxpayer elects to prepay according to~~
26 ~~subdivision (a)(2) of this section and fails to pay eighty percent (80%) of~~
27 ~~the tax liability by the twenty-fourth of the current month, no penalty shall~~
28 ~~be assessed if the taxpayer proves that more than twenty percent (20%) of its~~
29 ~~tax liability arose from sales occurring after the twenty-fourth of the~~
30 ~~current month but before the last day of the current month.~~

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

35 ~~(B) In the case of a corporate taxpayer (parent~~
36 ~~corporation) that holds fifty percent (50%) or more of the outstanding shares~~

1 ~~of one (1) or more corporations (subsidiaries) which are subject to the tax~~
2 ~~imposed by § 26-52-101 et seq., the aggregate discount available to the~~
3 ~~parent corporation and all subsidiaries shall not exceed one thousand dollars~~
4 ~~(\$1,000) per month.~~

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6 SECTION 3. Arkansas Code § 26-52-501(g), concerning the due date for
7 payment of gross receipts tax, is amended to read as follows:

8 (g) If not paid on or before the twentieth of that month the tax shall
9 be delinquent from that date. ~~However, no penalty for delinquency shall be~~
10 ~~assessed if payment is made on or before the first day of the month next~~
11 ~~following, and shall be subject to the penalties for failure to pay a state~~
12 tax on or before the date prescribed for payment under the Arkansas Tax
13 Procedure Act, § 26-18-101 et seq.

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15 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
16 General Assembly of the State of Arkansas that as a result of the Arkansas
17 Supreme Court decision, Lakeview Sch. Dist. No. 25 v. Huckabee, 351 Ark. 31,
18 91 S.W.3d 472 (2002), additional revenue is necessary for the improvement of
19 public schools, to provide all Arkansas children an adequate education, and
20 to equalize funding for schools and teachers; that without additional
21 revenue, the state will be unable to fulfill its constitutional duty to
22 provide an adequate and equitable education to Arkansas children; and that
23 this act is immediately necessary as it will provide needed revenue for the
24 support and improvement of public schools. Therefore, an emergency is
25 declared to exist and this act being necessary for the preservation of the
26 public peace, health, and safety shall become effective on the first day of
27 the second calendar month following the effective date of this act.

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29 /s/ Hickinbotham
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