

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

Call Item 6

A Bill

HOUSE BILL 1125

5 By: Representative Hickinbotham
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7

For An Act To Be Entitled

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

Subtitle

14 TO REDUCE THE DISCOUNT FOR PROMPT
15 PAYMENT OF GROSS RECEIPTS TAX TO A
16 MAXIMUM OF ONE HUNDRED DOLLARS (\$100)
17 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(c), concerning the discount for
23 prompt payment of sales tax, is amended to read as follows:

24 (c)(1) ~~For tax payments made on or after February 1, 1993, the~~ The
25 discount for prompt payment of state tax shall not exceed ~~one thousand~~
26 ~~dollars (\$1,000)~~ one hundred dollars (\$100) per month for taxpayers filing
27 monthly gross receipts tax reports. Taxpayers filing a tax report on a
28 quarterly, annual, or occasional basis shall be entitled to the discount for
29 state tax, which shall not exceed ~~one thousand dollars (\$1,000)~~ one hundred
30 dollars (\$100) for each month included in the tax report.

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

36 (B) In the case of a corporate taxpayer, parent



1 corporation, that holds fifty percent (50%) or more of the outstanding shares
2 of one (1) or more corporations, subsidiaries, that are subject to the tax
3 imposed by § 26-52-101 et seq., the aggregate state tax discount available to
4 the parent corporation and all subsidiaries shall not exceed ~~one thousand~~
5 ~~dollars (\$1,000)~~ one hundred dollars (\$100) per month.

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

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10 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
11 General Assembly of the State of Arkansas that due to an economic decline,
12 the state is experiencing budget shortfalls for general revenue; that due to
13 the budget shortfalls, the state must either cut programs or increase
14 revenues; that the retailer discount for sales tax was originally implemented
15 to offset the labor that retailers expended to prepare the reports before the
16 widespread use of computers; that the widespread use of computers has reduced
17 the labor necessary to prepare the tax reports; that by reducing the retailer
18 discount, the state can increase revenue without raising taxes; and that this
19 act is immediately necessary to help fund the 2004 and 2005 fiscal year state
20 budgets and to continue to provide essential services to the citizens of the
21 State of Arkansas. Therefore, an emergency is declared to exist and this act
22 being necessary for the preservation of the public peace, health, and safety
23 shall become effective on July 1, 2004.