1	State of Arkansas	As Engrossed: H1/21/04	Call Item 6	
2	84th General Assembly	A Bill		
3	Second Extraordinary Session, 2003 HOUSE BILL 11			
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5	By: Representative Hickinbotham			
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8	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.			
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13		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 MO	NTH.		
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20	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:			
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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 pa	ayments made on or after Februar	y 1, 1993, the <u>The</u>	
25	discount for prompt paym	ment of state tax shall not exce	ed one thousand	
26	dollars (\$1,000) one hur	ndred dollars (\$100) per month f	or taxpayers filing	
27	monthly gross receipts t	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 r	not exceed one thousand dollars	(\$1,000) one hundred	
30	dollars (\$100) for each	month included in the tax repor	t.	
31	(2)(A) The	aggregate state tax discount av	ailable 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	1.		
36	(R) 1	In the case of a corporate taxpa	ver narent	



- 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. Arkansas Code § 26-52-512(b), concerning tax payments by 11 retailers, is amended to read as follows:
- 12 (b)(1) Every taxpayer who timely remits the prepayments required by
- 13 subsection (a) of this section and who timely files and pays his monthly
- 14 gross receipts tax report shall be entitled to a discount. The discount shall
- 15 be the lesser of two percent (2%) of the reported monthly gross tax, or one
- 16 thousand dollars (\$1,000). one hundred dollars (\$100).
- 17 (2)(A) Failure to pay tax prepayments when due shall result in
- 18 the assessment of a penalty equal to five percent (5%) of the amount of each
- 19 required tax prepayment.
- 20 (B) If a taxpayer elects to prepay according to subdivision
- 21 (a)(2) of this section and fails to pay eighty percent (80%) of the tax
- 22 liability by the twenty-fourth of the current month, no penalty shall be
- 23 assessed if the taxpayer proves that more than twenty percent (20%) of its
- 24 tax liability arose from sales occurring after the twenty-fourth of the
- 25 current month but before the last day of the current month.
- 26 (3)(A) The aggregate discount available to a taxpayer who
- 27 operates more than one (1) permitted business location within this state and
- 28 who does not file a consolidated monthly gross receipts tax report for all
- 29 locations shall not exceed one thousand dollars (\$1,000) one hundred dollars
- 30 (\$100) per month.
- 31 (B) In the case of a corporate taxpayer (parent
- 32 corporation) that holds fifty percent (50%) or more of the outstanding shares
- 33 of one (1) or more corporations (subsidiaries) which are subject to the tax
- 34 imposed by § 26-52-101 et seq., the aggregate discount available to the
- 35 parent corporation and all subsidiaries shall not exceed one thousand dollars
- 36 (\$1,000) one hundred dollars (\$100) per month.

As Engrossed: H1/21/04 HB1125

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2	SECTION 3. EMERGENCY CLAUSE. It is found and determined by the		
3	General Assembly of the State of Arkansas that due to an economic decline,		
4	the state is experiencing budget shortfalls for general revenue; that due to		
5	the budget shortfalls, the state must either cut programs or increase		
6	revenues; that the retailer discount for sales tax was originally implemented		
7	to offset the labor that retailers expended to prepare the reports before the		
8	widespread use of computers; that the widespread use of computers has reduced		
9	the labor necessary to prepare the tax reports; that by reducing the retailer		
10	discount, the state can increase revenue without raising taxes; and that this		
11	act is immediately necessary to help fund the 2004 and 2005 fiscal year state		
12	budgets and to continue to provide essential services to the citizens of the		
13	State of Arkansas. Therefore, an emergency is declared to exist and this act		
14	being necessary for the preservation of the public peace, health, and safety		
15	shall become effective on July 1, 2004.		
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17	/s/ Hickinbotham		
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