

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

Call Item 6

A Bill

HOUSE BILL 1183

5 By: Representative Judy
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For An Act To Be Entitled

9 AN ACT TO PROVIDE THE ADDITIONAL REVENUES NEEDED
10 TO PROVIDE AN EQUAL OPPORTUNITY FOR AN ADEQUATE
11 EDUCATION TO ALL THE CITIZENS OF THE STATE BY
12 REDUCING THE MAXIMUM DISCOUNT FOR PROMPT PAYMENT
13 OF SALES TAX; AND FOR OTHER PURPOSES.
14

Subtitle

15 TO PROVIDE THE ADDITIONAL REVENUES
16 NEEDED TO PROVIDE AN EQUAL OPPORTUNITY
17 FOR AN ADEQUATE EDUCATION TO ALL THE
18 CITIZENS OF THE STATE BY REDUCING THE
19 MAXIMUM DISCOUNT FOR PROMPT PAYMENT OF
20 SALES TAX.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Effective July 1, 2004, Arkansas Code § 26-52-503(c),
27 concerning the discount for prompt payment of sales tax, is amended to read
28 as follows:

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

36 (2)(A) The aggregate state tax discount available to a taxpayer



1 who operates more than one (1) permitted business location within this state
 2 and who does not file a consolidated monthly gross receipts tax report for
 3 all locations shall not exceed ~~one thousand dollars (\$1,000)~~ one hundred
 4 dollars (\$100) 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)~~ one hundred dollars (\$100) 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. Effective July 1, 2004, Arkansas Code § 26-52-512(b),
 16 concerning tax payments by 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
 20 shall be the lesser of two percent (2%) of the reported monthly gross tax, or
 21 ~~one thousand dollars (\$1,000)~~ one hundred dollars (\$100).

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

25 (B) 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)~~ one hundred dollars
 35 (\$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) which are subject to the tax
3 imposed by § 26-52-101 et seq., the aggregate discount available to the
4 parent corporation and all subsidiaries shall not exceed ~~one thousand dollars~~
5 ~~(\$1,000)~~ one hundred dollars (\$100) per month.

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7 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly, that the provision of an equal opportunity for an adequate
9 education to all the citizens of the state is imperative; that additional
10 funds are immediately needed to provide an equal opportunity for an adequate
11 education; that this act is designed to provide the additional revenues
12 needed to provide this equal opportunity to all citizens by reducing the
13 maximum sales tax discount a retailer may claim; and that a delay in the
14 effective date of this act will cause irreparable harm upon the provision of
15 essential education opportunities and the proper administration of
16 educational programs. Therefore, an emergency is declared to exist and this
17 act being necessary for the immediate preservation of the public peace,
18 health, and safety shall be in full force and effect from and after the date
19 of July 1, 2004.